

FOR OFFICIAL USE ONLY- REFERENCE NUMBER

1. PROJECT INFORMATION

1.1 Contact Name and Address of Applicant, Telephone No. and E-mail Address.

Brendan Ludden
New Concept Gaming Limited
Liverpool Science Park
131 Mount Pleasant
Liverpool
L3 5TF
Tel: 0151 705 3616
FAX: 0151 705 3618
E-mail: Brendan.ludden@newconceptgaming.com

1.2 Company registration and VAT numbers

Company Registration Number: 5427776
VAT Registration Number: 887542082

2. PROJECT DESCRIPTION

2.1 Background to Company.

New Concept Gaming is dedicated to the development and sale of ground breaking exergaming products that bridge the industries of video gaming and health and fitness. Our aim is to make video games good for you - by providing fun, low cost and easy to use peripherals that promote healthy activity during game play. Our products translate players' natural body movement (walking or running on the spot, jumping, kicking, turning) into game movement via easy to use, low cost, well-designed video console accessories which work with almost any game

First Product Website www.jog2play.com
Corporate Website www.newconceptgaming.com
Winners of Gadget Show, Gadget Tot for 2009
http://www.youtube.com/watch?v=jnXQ5F2eW28&feature=channel_page
Winner of Big Chip Awards <http://www.bigchipawards.com/>

2.2 Project Description and Summary of Project Objectives including Background and Need.

New Concept Gaming's relocation from Liverpool city centre to the Wirral is designed to reduce the company's property related operating costs during the critical period of its first product launch.

The project started in mid July during which time the company began its search for a new premises in Liverpool and the surrounding areas. The project is due to finish around October, a final finish date will depend and the availability and lease agreement of a new premises.

For New Concept Gaming to be able to properly fund its product launch, all current funding will need to be channelled in to effective launch activity, this highlights the need to reduce operating costs during this period.

The project is a simple self managed relocation of 5 people and equipment from Liverpool Science Park to Brandon Street in Birkenhead.

It is planned that all current staff at the time of writing this plan will continue to work for the business although some roles may change to support the product launch. The planned reduction in operating costs will enable to

business to continue to employ a number of key individuals that are critical to the success of the product launch and then expand over the next 12 months in a premises large enough for expansion..

Project Objectives

The objective of this project is to reduce the property related operating costs of the business by 50%, this will be done primarily by a relocation from Liverpool City centre to the Wirral with the aid of a grant from Wirral Invest.

Project Background

The company's product launch has required the management to review operating costs and provide a solution for their reduction.

3. PROJECT COSTS AND FUNDING ARRANGEMENTS

3.1 Total Project Costs.

Please identify key project costs excluding VAT showing when these costs will be incurred. This summary table **MUST** be completed although additional information can be provided if necessary.

Costs excl. VAT (list items)	1/04/2009 to 31/03/2010	1/04/2010 to 31/03/2011	Grand Total
Property Lease	£6000	£6000	
Rates	£1261	£1261	
<i>Security</i>			
Installation/addition of a RedCare alarm system	£550		
Employee access (swipe cards or keys)	£100		
<i>Telephones</i>			
Multi-line telephone system from Vodafone (4 lines)	£400		
Wireless Handsets x4	£200		
Voicemail machine	£50		
<i>Internet access</i>			
Business broadband service from Vodafone			
Installation	£50		
Annual service charge	£420		
Cisco secure wireless router	£260		
<i>IT and Networking</i>			
Reception-area demonstration system	£870		
Network switch	£120		
Additional cabling requirements (est.)	£250		
<i>Furniture and Facilities</i>			
Main office			
Desks x8	£1500		
Reception furniture (sofa, table and demo stand)	£2200		
<i>Kitchen</i>			
Kitchen facilities and equipment	£350		
<i>Relocation</i>			
Crate hire	£120		

TOTALS	£14,701	£7261	

Summary of Costs

Year 1 summary of costs including the property and the cost of relocation.

Property (including rates) £14,522

Replacement of managed services £7,320

Relocation £120

Total £21,962

GRANT REQUESTED IS 50% of TOTAL COST

3.2 Total Project Funding.

Please identify all sources of funding whether they are secured or subject to approval. For funding which is not secured show the likely approval date.

Funding (list sources)	Identify if funding secured	1/04/2009 to 31/03/2010	1/04/2010 to 31/03/2011	Grand Total
Wirral Council	Subject to approval	£7,350.50	£3630.50	£10,981
TOTALS	Subject to approval	£7,350.50	£3630.50	£10,981

PLEASE ENSURE THAT THE ANNUAL TOTALS FOR THE PROJECT COSTS, PROJECT FUNDING AND THE GRAND TOTALS THE SAME AMOUNT.

4. PROJECT TIMETABLE

4.1 Please identify in detail the key dates for the project.

- Scoping and property search and investigation 31 Aug 09
- Cost and benefits planning 31 Aug 09
- Obtain approval for funding 14 Sep 09
- Sign lease 18 Sep 09
- Order new service at new location 22 Sep 09
- Schedule move with removal company 22 Sep 09
- Carry out relocation communication plan 30 Sep 09

4.2 Identify any other related projects within the company that may impact on this project.

6. PROJECT OUTPUTS AND BENEFITS

Please show the planned outputs to be achieved as a result of completing the project.

6.1 Number of full-time equivalent jobs safeguarded.

All current 5 positions in the Liverpool office will be secured.

6.2 Will there be any full-time equivalent jobs created. If yes how many and approximate timescale.

Expansion to 3-4 extra positions over the next 12 months will be likely.

6.3 Other benefits eg. Forecast increase in turnover, additional space occupied as a result of project etc.

Project will provide expansion space for team to grow from 5 to 9, and reduce operating costs at a time where most of the company working capital is being used for production..

7. RISK ASSESSMENT

Please identify and assess the main areas of risk. For example, financial risks, delays in completing the project, insufficient market size etc.

Please include not getting the grant as a risk and what will happen in these circumstances.

Description of risk

Impact rating (high, medium or low)

Probability rating (high, medium or low)

Mitigation Action (event of the risk occurring)

Risk	Probability	Impact	Mitigating Action
Current annual premises costs in a prime site in Liverpool (Liverpool Science Park) are comparable to the cost of relocation over the first year. A fiscal stimulus in the form of a grant from the Wirral is essential to make relocation to Wirral financially attractive for our business. If no grant is received, the company will not relocate to Wirral and the project will be cancelled.	If grant not received – 100%	Company will remain in Liverpool	Secure Grant

8. ADDITIONAL INFORMATION

You must provide the following additional information to support your application.

8.1 Project Business Plan showing the impact of the project on the core business, including monthly trading and profit and loss-forecasts and monthly cash flow projections for the first two years of the project

enclosed yes/no

FINANCIAL FORECAST OVERNEXT 2 YEARS PROVIDED. THE KEY ISSUE IS THAT WE ARE IN THE MIDDLE OF A NEW PRODUCT LAUNCH AND MOST WORKING CAPITAL IS REQUIRED FOR PRODUCTION. IF A GRANT IS NOT PROVIDED TO MAKE RELOACTION TO THE WIRRAL ATTRACTIVE, THEN RELOCATION WILL NOT PROCEED.

8.2 Audited accounts for previous year and six months management accounts

enclosed yes/no

ACCOUNTS PROVIDED. ACCOUNTS HAVE NOT BEEN AUDITED

The grant application will not be assessed until all the supporting documents have been received.

9. DECLARATION – PUBLIC FUNDING

Please list the amount of public funding received within the last three years. I declare that the amount of Public Money received by the company/organisation over the last three fiscal years is:

	2007	2008	2009	Total
Amount			£33,064.20	£33,064.20
Funding Source			NWDA GRAND Research and Development Grant	

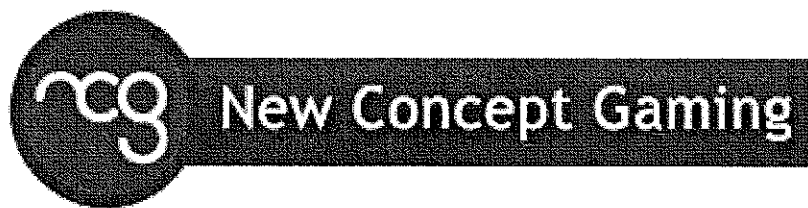
I confirm that, to the best of my knowledge, the information above is correct and given in good faith.

Signed

Name

Position

Date



NCG Relocation Proposal – Brandon Street



Introduction

The purpose of this document is to define the costs of a relocation of the NCG business from Liverpool Science Park to Birkenhead.

Proposed Site

17 Brandon Street, Birkenhead, CH41 5HN

The proposed new site is located off Hamilton Square and is opposite the Town Hall building. The unit is a converted house that comprises of two floors (ground and first) and provides kitchen and toilet facilities.

Costs

Based on a negotiated one-year lease, property costs are:

Lease £12,000 pa

Rates £2,522 pa (based on £5,200 rateable value)

The relocation of the business from the fully managed service provided by the Liverpool Science Park will require investment to replacement these managed services including security, telephones, Internet access, general IT and networking equipment and some furniture and facilities and cleaning.

Security

Installation/addition of a RedCare alarm system	£550
Employee access (swipe cards or keys)	£100



Telephones

Multi-line telephone system from Vodafone (4 lines)	£400
Wireless Handsets x4	£200
Voicemail machine	£50

Internet access

Business broadband service from Vodafone	
Installation	£50
Annual service charge	£420
Cisco secure wireless router	£260

IT and Networking

Reception area demonstration system	£870
Network switch	£120
Additional cabling requirements (est.)	£250

Furniture and Facilities

Main office	
Desks x8	£1500
Reception furniture (sofa, table and demo stand)	£2200
Kitchen	
Kitchen facilities and equipment	£350
Contract cleaner	£700
Cleaning equipment	£100

Relocation

The approx. cost of relocating the business (in business hours), including the cost of crate hire for one week.



£1200

Summary of Costs

Year 1 summary of costs including the property and the cost of relocation.

Property (including rates)	£14,522
Replacement of managed services	£8,120
Relocation	£1,200
<u>Total</u>	<u>£23,842</u>



Contact information

Brendan Ludden

New Concept Gaming Limited

Liverpool Science Park

131 Mount Pleasant

Liverpool

L3 5TF

Tel: 0151 705 3616

FAX: 0151 705 3618

E-mail: Brendan.ludden@newconceptgaming.com

Company Registration Number: 5427776

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Executive Summary

New Concept Gaming's relocation from Liverpool city centre to the Wirral is designed to reduce the company's property related operating costs during the critical period of its first product launch.

The project started in mid July during which time the company began its search for a new premises in Liverpool and the surrounding areas. The project is due to finish around October, a final finish date will depend on the availability and lease agreement of a new premises.

For New Concept Gaming to be able to properly fund its product launch, all current funding will need to be channelled in to effective launch activity, this highlights the need to reduce operating costs during this period.

Company Background

New Concept Gaming is dedicated to the development and sale of ground breaking exergaming products that bridge the industries of video gaming and health and fitness. Our aim is to make video games good for you - by providing fun, low cost and easy to use peripherals that promote healthy activity during game play. Our products translate players' natural body movement (walking or running on the spot, jumping, kicking, turning) into game movement via easy to use, low cost, well-designed video console accessories which work with almost any game

The company was founded in April 2005. Initial Pilot operations and IP creation started in September 2006 and in January 2008, NCG received investment from the Merseyside Special Investment Fund which has totalled £700k to date. The company launched its first product jOG in the UK in May 2009 and have sold ~100k units to date worldwide.

First Product Website www.jog2play.com

Corporate Website www.newconceptgaming.com

Winners of Gadget Show, Gadget Toy for 2009

http://www.youtube.com/watch?v=jnXQ5F2eW28&feature=channel_page

Winner of Big Chip Awards <http://www.bigchipawards.com/>



Project Objectives and Background

Project Objectives

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Project Background

The company's product launch has required the management to review operating costs and provide a solution for their reduction.

Project Description

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It is planned that all current staff at the time of writing this plan will continue to work for the business although some roles may change to support the product launch. The planned reduction in operating costs will enable the business to continue to employ a number of key individuals that are critical to the success of the product launch.

Project Timetable

- | | |
|---|-----------|
| ➤ Scoping and property search and investigation | 31 Aug 09 |
| ➤ Cost and benefits planning | 31 Aug 09 |
| ➤ Obtain approval for funding | 14 Sep 09 |
| ➤ Sign lease | 18 Sep 09 |
| ➤ Order new service at new location | 22 Sep 09 |
| ➤ Schedule move with removal company | 22 Sep 09 |
| ➤ Carry out relocation communication plan | 30 Sep 09 |



Funding

Property	
Lease	£12,000
Rates	£2,522
Security	
Installation/addition of a RedCare alarm system	£550
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Kitchen facilities and equipment	£350
Relocation	
Crate hire	£120



Risk Assessment

Relocation cancelled

Current annual premises costs in a prime site in Liverpool (Liverpool Science Park) are comparable to the cost of relocation over the first year. A fiscal stimulus in the form of a grant from the Wirral is essential to make relocation to Wirral financially attractive for our business. If no grant is received, the company will not relocate to Wirral.

Staff

Loss of key staff would be a significant risk to the business at this critical time. Therefore every consideration has been made during the selection of the new premises to ensure existing staff would be able to easily travel to work.

Deliverables

To reduce property related operating costs by 50% over the first year of operations.

The successful relocation of the business from Liverpool Science Park to Brandon Street without affecting the ability of the business to continue its product launch.

To ensure all key staff are retained during the relocation.

Forward Strategy

New Concept Gaming will to benefit from the cost effective solution provided by a relocation to the Wirral without distancing itself from Liverpool City Centre.

Product: jOG

Manufacture Price: \$5.5-\$6.06

Wholesale Price: \$8-\$11

UK SRP: £24.99

jOG for Wii is currently in retail in the following markets: UK, Germany, Netherlands, South Korea and Hong Kong. Shipments are under way to Spain and US. Interest is being shown from Italy, Scandinavia, France and Australia/New Zealand.

Successful peripherals sell ~200k units in UK over a Christmas period and UK is ~10% of the global market.

Future Product: Soccer jOG

Manufacture Price: \$7

Wholesale Price: \$10

UK SRP: [bundled with game]

Soccer controller that provides different running speeds and kicking. Can be used with existing soccer games (Fifa / Pro Evo) or launched with a custom game. Under discussions with UK games developer on soccer game development.

Sales peaks will be at world cup 2010 and the beginning of soccer season.

Expected launch Summer 2010.

Future Product: jOG+

License Price: \$2

Advanced wireless body motion detection controller that measures speed of running, crouching, jumping and leaning. Can also be used as standalone pedometer and communicate with game activities levels of players away from the game console.

In ongoing discussions with a significant player in the US games peripherals market for global exploitation of jOG+. Options being explored are both manufacturing and licensing models. This forecast assumes a licensing model.

Expected launch Xmas 2010.

Future Product: Kidz jOG

Manufacture Price: \$7

Wholesale Price: \$10

UK SRP: [bundled with game]

Variant of jOG+ product for kids fitness game title based upon high profile kids media brand. Joint collaboration with Liverpool based games developer.

Expected launch Xmas 2010.

Product: Corporate jOG

Manufacture Price: \$7

Wholesale Price: \$10

UK SRP: N/A

Promotional gift item for occupational health. Provides a 'gym in a laptop' for business travellers. In addition can monitor activity level of sedentary PC based workers and advises on physical activity level (i.e. go for a short walk) for health reasons.

Partnership with promo gift distributor established.

Expected launch Q1 2010.

Product: Split Controller

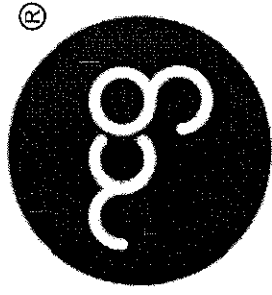
Manufacture Price: \$7

Wholesale Price: \$20

UK SRP: \$39.99 (includes s/w)

Adaptation of Corporate JOG product for retail gift market. Includes additional controllers for measuring arm motion.

Expected launch Xmas 2010.



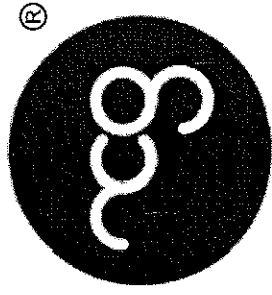
New Concept Gaming Limited

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Company Profile I

- Multi-award winning high growth NW based gaming peripherals company
- £700k Seed Funding in Jan 2008
- Operating internationally with established supply chain and distribution partners in place
- First product launched May 09 – 100,000 units shipped



Company Profile II

- First retail listings secured internationally
- Exciting pipeline of new products
- Established links with major industry players
- Strong IPR based on patents and brand
- Experienced management & non execs



Management Team

Founders

Brendan Ludden	MD	Ex-Vodafone Future Products Manager
Patrick Slaats	Dev	Ex-Vodafone Embedded Systems Specialist
Jaison George	Ops	Ex-Vodafone Global Technology Manager

Non Execs

Kevin Jauncey	NED	Seasoned ICT sector NED & Chairman
Tim O'Connell	FD	Veteran of the Video Game Industry



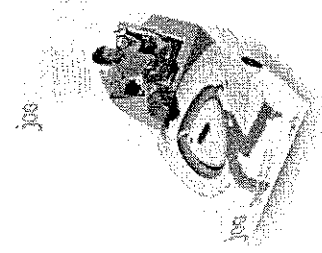
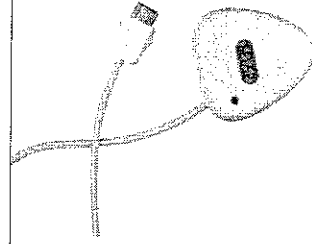
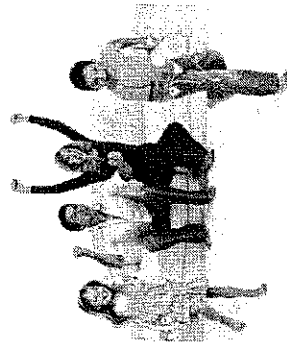
Opportunity

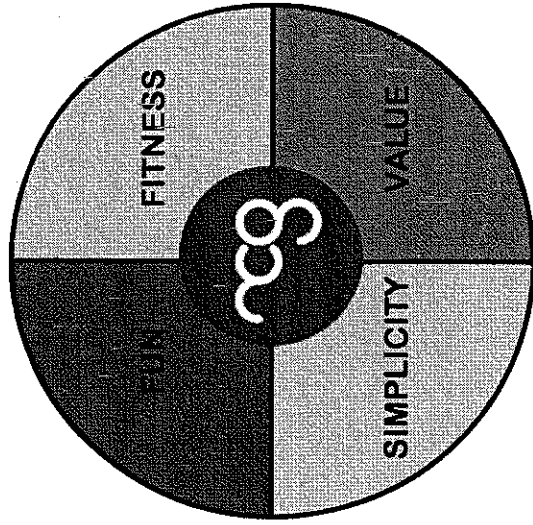
- Video games is a multi \$ billion global market for gaming
 - In excess of 100 million 3rd generation consoles sold worldwide
 - Over 400 million Wii games have been sold
 - A single successful video game sells 5+ million copies
- “Healthy Gaming” - motion is the hottest topic in gaming
 - 22 Million Wii Fit sold to date
- High potential for rapid future growth

**NCG has the right technology & contacts
to exploit this**

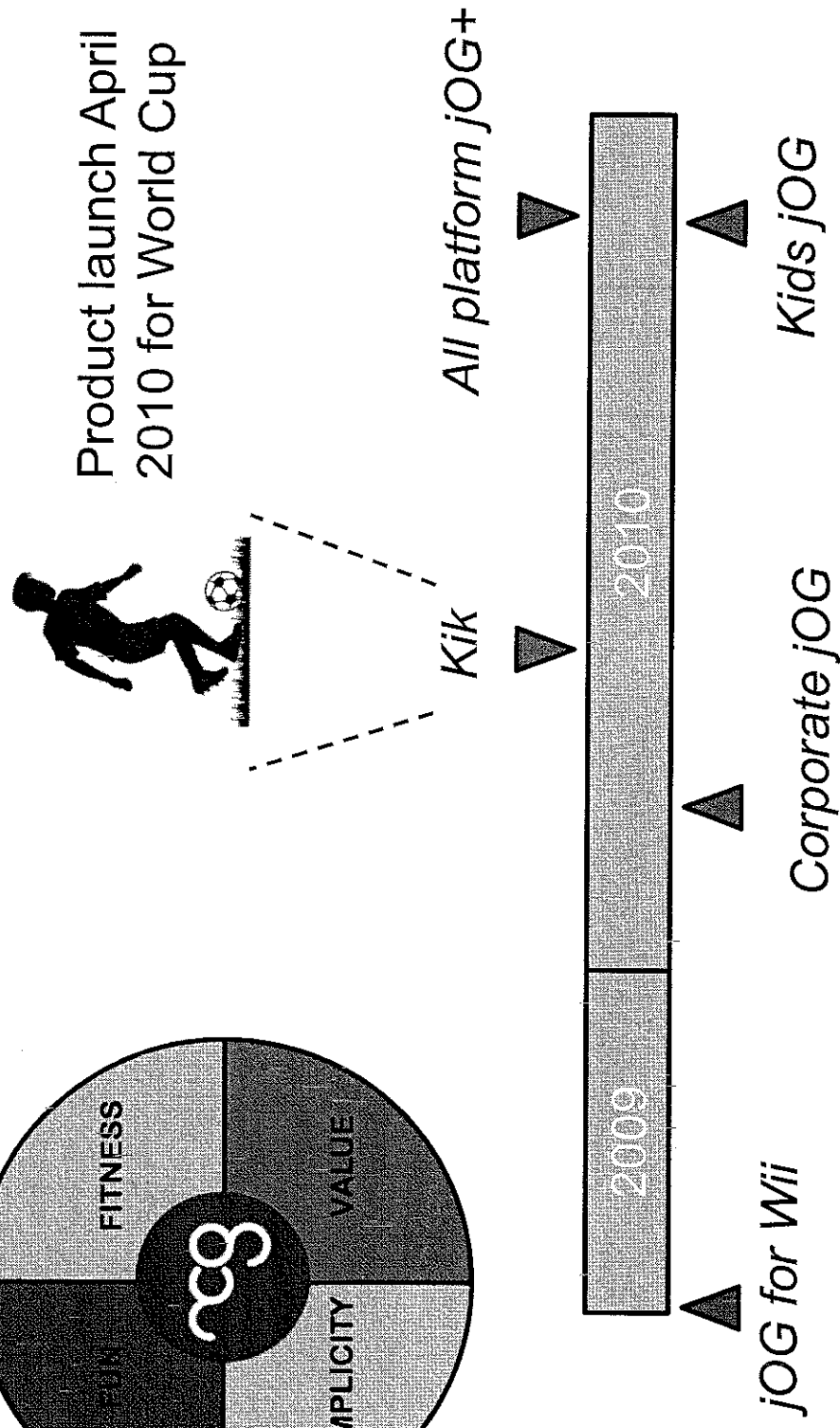


- Sub £20 award winning “Exergaming” product for the Wii
- \$4 gross margin per unit achieved to date
- Compatible with >100 existing games
- Further 300K unit sales forecast to April 2010
 - At retail in UK, Germany, Benelux, Korea, Hong Kong
 - Shipments underway to USA, Spain
 - Strong interest from Scandinavia, Italy, Australia/New Zealand





Product Roadmap



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New Concept Gaming Ltd Profit & Loss

May 2008 through March 2009

	May 08	Jun 08	Jul 08	Aug 08
Ordinary Income/Expense				
Income				
Grant Income	0.00	0.00	0.00	0.00
Sales - Hardware	0.00	0.00	0.00	0.00
Total Income	0.00	0.00	0.00	0.00
Cost of Goods Sold				
Freight and Shipping Costs	0.00	0.00	0.00	0.00
Purchases - Hardware for Resale	0.00	0.00	0.00	0.00
Subcontracted Services	0.00	0.00	0.00	0.00
Total COGS	0.00	0.00	0.00	0.00
Gross Profit	0.00	0.00	0.00	0.00
Expense				
Accounting Fees	0.00	0.00	0.00	0.00
Advertising and Promotion	4,069.46	10,351.06	3,939.00	0.00
Bank Service Charges	19.00	56.80	156.62	140.50
Depreciation Expense				
Amortisation of Patents	0.00	0.00	0.00	0.00
Depreciation Expense - Other	0.00	0.00	0.00	0.00
Total Depreciation Expense	0.00	0.00	0.00	0.00
Dues and Subscriptions	0.00	0.00	0.00	0.00
Exchange gain/loss	0.00	0.00	24.98	-7.69
Insurance Expense				
General Liability Insurance	0.00	0.00	0.00	0.00
Insurance Expense - Other	0.00	0.00	0.00	0.00
Total Insurance Expense	0.00	0.00	0.00	0.00
Interest Expense	0.00	4.25	205.00	49.40
Meals and Entertainment	0.00	0.00	0.00	0.00
Miscellaneous Expense	39.99	0.00	0.00	0.00
Office Expense				
Consumables	0.00	0.00	0.00	0.00
Software	0.00	0.00	0.00	0.00
Stationery	0.00	0.00	85.63	0.00
Supplies	0.00	20.00	0.00	0.00
Office Expense - Other	0.00	0.00	0.00	19.82
Total Office Expense	0.00	20.00	85.63	19.82
Payroll				
Payroll JG	0.00	0.00	0.00	0.00
Payroll - Other	-202.70	4,572.06	4,642.02	4,642.02
Total Payroll	-202.70	4,572.06	4,642.02	4,642.02
Postage and Delivery	257.00	19.80	256.49	290.23
Printing and Reproduction	0.00	0.00	0.00	0.00
Professional Fees				

New Concept Gaming Ltd Profit & Loss

May 2008 through March 2009

	May 08	Jun 08	Jul 08	Aug 08
Professional Fees - NED etc	500.00	500.00	2,250.00	500.00
Professional Fees - Other	0.00	860.58	0.00	0.00
Total Professional Fees	500.00	1,360.58	2,250.00	500.00
 Rent and Rates	 1,500.00	 977.00	 509.60	 508.00
Research & Development	0.00	0.00	0.00	0.00
Service Charge	0.00	523.00	523.00	523.00
Small Tools and Equipment	0.00	0.00	0.00	0.00
Staff Training	0.00	0.00	0.00	0.00
Telephone				
Mobile	0.00	0.00	0.00	0.00
Telephone - Other	131.32	0.81	-21.23	338.81
Total Telephone	131.32	0.81	-21.23	338.81
 Travelling and Entertainment	 339.52	 1,704.57	 4,199.16	 3,974.10
Utilities				
Gas and Electric	0.00	0.00	80.00	0.00
Utilities - Other	100.00	0.00	0.00	0.00
Total Utilities	100.00	0.00	80.00	0.00
 Vehicle Expense	 0.00	 0.00	 0.00	 0.00
Web and internet	0.00	0.00	0.00	0.00
Total Expense	6,753.59	19,589.93	16,850.27	10,978.19
 Net Ordinary Income	 -6,753.59	 -19,589.93	 -16,850.27	 -10,978.19
 Other Income/Expense				
Other Income				
Interest Income	98.65	50.11	64.51	118.13
NW Development Agency Grant	0.00	0.00	0.00	18,064.20
Total Other Income	98.65	50.11	64.51	18,182.33
 Net Other Income	 98.65	 50.11	 64.51	 18,182.33
 Profit for the Year	 -6,654.94	 -19,539.82	 -16,785.76	 7,204.14

New Concept Gaming Ltd Profit & Loss

May 2008 through March 2009

	Sep 08	Oct 08	Nov 08	Dec 08
Ordinary Income/Expense				
Income				
Grant Income	0.00	0.00	0.00	0.00
Sales - Hardware	0.00	0.00	0.00	0.00
Total Income	0.00	0.00	0.00	0.00
Cost of Goods Sold				
Freight and Shipping Costs	0.00	412.43	0.00	0.00
Purchases - Hardware for Resale	0.00	0.00	0.00	2,775.63
Subcontracted Services	0.00	0.00	0.00	0.00
Total COGS	0.00	412.43	0.00	2,775.63
Gross Profit	0.00	-412.43	0.00	-2,775.63
Expense				
Accounting Fees	0.00	0.00	0.00	980.00
Advertising and Promotion	0.00	1,270.21	15,074.68	21,622.53
Bank Service Charges	29.70	320.05	246.00	165.25
Depreciation Expense				
Amortisation of Patents	0.00	0.00	0.00	0.00
Depreciation Expense - Other	0.00	0.00	0.00	575.42
Total Depreciation Expense	0.00	0.00	0.00	575.42
Dues and Subscriptions	0.00	56.00	0.00	0.00
Exchange gain/loss	38.28	1,706.61	-425.90	0.00
Insurance Expense				
General Liability Insurance	183.73	0.00	207.07	0.00
Insurance Expense - Other	0.00	0.00	0.00	1,618.80
Total Insurance Expense	183.73	0.00	207.07	1,618.80
Interest Expense	13.84	21.56	0.00	0.00
Meals and Entertainment	12.78	411.05	26.78	55.41
Miscellaneous Expense	0.00	0.00	0.00	0.00
Office Expense				
Consumables	43.18	185.24	0.00	0.00
Software	13.59	416.17	0.00	0.00
Stationery	261.50	283.12	842.21	293.84
Supplies	353.79	0.00	0.00	0.00
Office Expense - Other	0.16	5.80	0.00	0.00
Total Office Expense	672.22	890.33	842.21	293.84
Payroll				
Payroll JG	0.00	0.00	0.00	8,333.34
Payroll - Other	4,641.92	7,627.87	15,043.59	9,819.99
Total Payroll	4,641.92	7,627.87	15,043.59	18,153.33
Postage and Delivery	316.05	199.81	208.07	748.51
Printing and Reproduction	0.00	0.00	0.00	0.00
Professional Fees				

New Concept Gaming Ltd Profit & Loss

May 2008 through March 2009

	Sep 08	Oct 08	Nov 08	Dec 08
Professional Fees - NED etc	2,836.00	2,524.00	1,687.00	1,516.00
Professional Fees - Other	4,336.19	580.59	252.50	8,216.62
Total Professional Fees	7,172.19	3,104.59	1,939.50	9,732.62
 Rent and Rates	 508.00	 2,405.03	 1,486.00	 2,072.98
Research & Development	0.00	184.66	14.48	855.84
Service Charge	445.10	0.00	531.00	0.00
Small Tools and Equipment	0.00	0.00	0.00	0.00
Staff Training	0.00	0.00	0.00	-2,543.67
Telephone				
Mobile	24.30	12.77	12.77	14.68
Telephone - Other	112.93	0.00	161.81	0.00
Total Telephone	137.23	12.77	174.58	14.68
 Travelling and Entertainment	 827.29	 3,197.94	 2,924.42	 1,544.33
Utilities				
Gas and Electric	0.00	0.00	111.18	0.00
Utilities - Other	0.00	0.00	0.00	0.00
Total Utilities	0.00	0.00	111.18	0.00
 Vehicle Expense	 0.00	 27.23	 0.00	 0.00
Web and internet	208.27	113.98	0.00	113.96
Total Expense	15,206.60	21,549.69	38,403.66	56,003.83
 Net Ordinary Income	-15,206.60	-21,962.12	-38,403.66	-58,779.46
 Other Income/Expense				
Other Income				
Interest Income	48.56	44.38	17.74	0.47
NW Development Agency Grant	0.00	0.00	0.00	0.00
Total Other Income	48.56	44.38	17.74	0.47
 Net Other Income	48.56	44.38	17.74	0.47
 Profit for the Year	-15,158.04	-21,917.74	-38,385.92	-58,778.99

New Concept Gaming Ltd Profit & Loss

May 2008 through March 2009

	Jan 09	Feb 09	Mar 09	Apr 09
Ordinary Income/Expense				
Income				
Grant Income	0.00	238.07	1,750.00	0.00
Sales - Hardware	0.00	0.00	195,825.97	186,923.90
Total Income	0.00	238.07	197,575.97	186,923.90
Cost of Goods Sold				
Freight and Shipping Costs	0.00	0.00	40.39	0.00
Purchases - Hardware for Resale	0.00	0.00	124,617.00	0.00
Subcontracted Services	0.00	9,965.34	8,380.61	118,944.58
Total COGS	0.00	9,965.34	133,038.00	118,944.58
Gross Profit	0.00	-9,727.27	64,537.97	67,979.32
Expense				
Accounting Fees	1,480.00	2,035.00	0.00	2,254.79
Advertising and Promotion	4,086.54	0.00	0.00	10,142.93
Bank Service Charges	121.00	175.00	946.36	816.37
Depreciation Expense				
Amortisation of Patents	2,794.40	258.94	380.30	389.31
Depreciation Expense - Other	73.53	103.94	-20.22	112.94
Total Depreciation Expense	2,867.93	362.88	360.08	502.25
Dues and Subscriptions	0.00	0.00	0.00	0.00
Exchange gain/loss	0.00	574.17	0.00	0.00
Insurance Expense				
General Liability Insurance	0.00	0.00	0.00	0.00
Insurance Expense - Other	161.82	1,850.00	0.00	1,267.29
Total Insurance Expense	161.82	1,850.00	0.00	1,267.29
Interest Expense	8,541.66	12,774.39	5,750.00	5,750.00
Meals and Entertainment	142.90	43.43	403.49	302.08
Miscellaneous Expense	357.75	768.24	0.00	199.59
Office Expense				
Consumables	88.63	0.00	1.90	-262.00
Software	0.00	0.00	0.00	1,280.91
Stationery	63.97	39.99	603.75	751.69
Supplies	0.00	0.00	0.00	0.00
Office Expense - Other	0.00	0.00	0.00	0.00
Total Office Expense	152.60	39.99	605.65	1,770.60
Payroll				
Payroll JG	4,166.58	4,166.67	4,166.76	4,166.67
Payroll - Other	10,333.99	10,333.99	11,367.98	13,284.67
Total Payroll	14,500.57	14,500.66	15,534.74	17,451.34
Postage and Delivery	724.00	143.25	319.08	360.52
Printing and Reproduction	30.10	100.00	0.00	0.00
Professional Fees				

New Concept Gaming Ltd Profit & Loss

May 2008 through March 2009

	Jan 09	Feb 09	Mar 09	Apr 09
Professional Fees - NED etc	2,662.50	2,500.00	1,500.00	1,000.00
Professional Fees - Other	14,166.46	229.00	8,258.33	6,691.88
Total Professional Fees	16,828.96	2,729.00	9,758.33	7,691.88
Rent and Rates	1,486.00	2,089.44	1,509.00	3,198.06
Research & Development	96,530.68	39,873.94	16,210.47	20,364.93
Service Charge	531.00	0.00	0.00	531.00
Small Tools and Equipment	0.00	6,085.09	0.00	0.00
Staff Training	0.00	0.00	1,242.00	0.00
Telephone				
Mobile	29.13	79.09	12.77	55.27
Telephone - Other	398.91	-47.27	60.00	279.06
Total Telephone	428.04	31.82	72.77	334.33
Travelling and Entertainment	5,775.05	2,946.20	-1,336.81	1,607.44
Utilities				
Gas and Electric	90.00	85.00	85.00	85.00
Utilities - Other	0.00	0.00	0.00	0.00
Total Utilities	90.00	85.00	85.00	85.00
Vehicle Expense	0.00	0.00	0.00	0.00
Web and internet	-38.91	4,250.00	5.61	4,651.50
Total Expense	154,797.69	91,457.50	54,139.39	79,281.90
Net Ordinary Income	-154,797.69	-101,184.77	10,398.58	-11,302.58
Other Income/Expense				
Other Income				
Interest Income	0.00	0.00	0.00	0.00
NW Development Agency Grant	0.00	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00
Profit for the Year	-154,797.69	-101,184.77	10,398.58	-11,302.58

New Concept Gaming Ltd
Profit & Loss
May 2008 through March 2009

TOTAL	
Ordinary Income/Expense	
Income	
Grant Income	1,988.07
Sales - Hardware	382,749.87
Total Income	197,814.04
Cost of Goods Sold	
Freight and Shipping Costs	452.82
Purchases - Hardware for Resale	127,392.63
Subcontracted Services	137,290.53
Total COGS	265,135.98
Gross Profit	119,601.96
Expense	
Accounting Fees	6,749.79
Advertising and Promotion	70,556.41
Bank Service Charges	3,192.65
Depreciation Expense	0.00
Amortisation of Patents	3,822.95
Depreciation Expense - Other	845.61
Total Depreciation Expense	4,668.56
Dues and Subscriptions	56.00
Exchange gain/loss	1,910.45
Insurance Expense	
General Liability Insurance	390.80
Insurance Expense - Other	4,897.91
Total Insurance Expense	5,288.71
Interest Expense	33,110.10
Meals and Entertainment	1,397.92
Miscellaneous Expense	1,365.57
Office Expense	
Consumables	56.95
Software	1,710.67
Stationery	3,225.70
Supplies	373.79
Office Expense - Other	25.78
Total Office Expense	5,392.89
Payroll	
Payroll JG	25,000.02
Payroll - Other	96,107.40
Total Payroll	121,107.42
Postage and Delivery	3,842.81
Printing and Reproduction	130.10
Professional Fees	

New Concept Gaming Ltd
Profit & Loss
May 2008 through March 2009

	TOTAL
Professional Fees - NED etc	19,975.50
Professional Fees - Other	43,592.15
Total Professional Fees	63,567.65
 Rent and Rates	 18,249.11
Research & Development	174,035.00
Service Charge	3,607.10
Small Tools and Equipment	6,085.09
Staff Training	-1,301.67
Telephone	
Mobile	240.78
Telephone - Other	1,415.15
Total Telephone	1,655.93
 Travelling and Entertainment	 30,376.83
Utilities	
Gas and Electric	536.18
Utilities - Other	100.00
Total Utilities	636.18
 Vehicle Expense	 27.23
Web and internet	9,304.41
Total Expense	565,012.24
 Net Ordinary Income	 -445,410.28
 Other Income/Expense	
Other Income	
Interest Income	442.55
NW Development Agency Grant	18,064.20
Total Other Income	18,506.75
 Net Other Income	 18,506.75
 Profit for the Year	 -426,903.53

New Concept Gaming Ltd

UK Balance Sheet - Standard

As at 31 March 2009
31 Mar 09

ASSETS

Fixed Assets

Computer Equipment	
Cost	3,634.47
Depreciation	-663.26
Total Computer Equipment	2,971.21

Office Equipment	
Cost	732.74
Depreciation	-159.68
Office Equipment - Other	1,334.80
Total Office Equipment	1,907.86

Patents & Licenses Cost	
Patenets & Licenses - Depreciat	-5,736.66
Patents & Licenses Cost - Other	45,636.54
Total Patents & Licenses Cost	39,899.88

Total Fixed Assets 44,778.95

Current Assets

Other Current Assets	
Prepayments	500.00
Total Other Current Assets	500.00

Accounts Receivable	
Accounts Receivable	192,265.38
Total Accounts Receivable	192,265.38

Cash at bank and in hand	
HSBC	123,529.40
Lloyds Current Account	14,882.10
Total Cash at bank and in hand	138,411.50

Total Current Assets 331,176.88

Current Liabilities

Accounts Payable	
Accounts Payable	83,393.32
Total Accounts Payable	83,393.32

Credit Cards	
BL HSBC Credit Card	935.85
JG HSBC Credit Card	958.24
NCG Credit card	2,971.46
Total Credit Cards	4,865.55

Other Current Liabilities

New Concept Gaming Ltd UK Balance Sheet - Standard

As at 31 March 2009
31 Mar 09

Accruals	73,242.31
NIC Control Account	3,849.48
PAYE Control account	3,566.26
Payroll Control Account	7,239.54
VAT Liability	-3,196.00
Total Other Current Liabilities	<u>84,701.59</u>
 Total Current Liabilities	 172,960.46
 NET CURRENT ASSETS	 <u>158,216.42</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES	 202,995.37
Long Term Liabilities	
Loan Stock 10%	<u>575,000.00</u>
Total Long Term Liabilities	<u>575,000.00</u>
 NET ASSETS	 <u><u>-372,004.63</u></u>
 Capital and Reserves	
Members Equity	-133,736.64
Share Capital 'A' Shares	38,213.05
Share Capital Account	51,700.00
Share Premium Account	87,419.91
Profit for the Year	<u>-415,600.95</u>
Shareholder funds	<u><u>-372,004.63</u></u>

New Concept Gaming Ltd Profit & Loss

May 2008 through April 2009

	May 08 - Apr 09	May 08-Mar 09	Apr-09
Ordinary Income/Expense			
Income			
Grant Income	1,988.07	1988.07	0.00
Sales - Hardware	382,749.87	195825.97	186,923.90
Total Income	384,737.94	197814.04	186,923.90
Cost of Goods Sold			
Freight and Shipping Costs	452.82	452.82	0.00
Purchases - Hardware for Resale	127,392.63	127392.63	0.00
Subcontracted Services	137,290.53	18345.95	118,944.58
Total COGS	265,135.98	146191.4	118,944.58
Gross Profit	119,601.96	51622.64	67,979.32
Expense			
Accounting Fees	6,749.79	4495	2,254.79
Advertising and Promotion	70,556.41	60413.48	10,142.93
Bank Service Charges	3,192.65	2376.28	816.37
Depreciation Expense			
Amortisation of Patents	3,822.95	3433.64	389.31
Depreciation Expense - Other	845.61	732.67	112.94
Total Depreciation Expense	4,668.56	4166.31	502.25
Dues and Subscriptions	56.00	56	0.00
Exchange gain/loss	1,910.45	1910.45	0.00
Insurance Expense			
General Liability Insurance	390.80	390.8	0.00
Insurance Expense - Other	4,897.91	3630.62	1,267.29
Total Insurance Expense	5,288.71	4021.42	1,267.29
Interest Expense	33,110.10	27360.1	5,750.00
Meals and Entertainment	1,397.92	1095.84	302.08
Miscellaneous Expense	1,365.57	1165.98	199.59
Office Expense			
Consumables	56.95	318.95	-262.00
Software	1,710.67	429.76	1,280.91
Stationery	3,225.70	2474.01	751.69
Supplies	373.79	373.79	0.00
Office Expense - Other	25.78	25.78	0.00
Total Office Expense	5,392.89	3622.29	1,770.60
Payroll			
Payroll JG	25,000.02	20833.35	4,166.67
Payroll - Other	96,107.40	82822.73	13,284.67
Total Payroll	121,107.42	103656.08	17,451.34
Postage and Delivery	3,842.81	3482.29	360.52
Printing and Reproduction	130.10	130.1	0.00
Professional Fees			

New Concept Gaming Ltd Profit & Loss

May 2008 through April 2009

	May 08 - Apr 09	May 08-Mar 09	Apr-09
Professional Fees - NED etc	19,975.50	18975.5	1,000.00
Professional Fees - Other	43,592.15	36900.27	6,691.88
Total Professional Fees	63,567.65	55875.77	7,691.88
 Rent and Rates	 18,249.11	 15051.05	 3,198.06
Research & Development	174,035.00	153670.07	20,364.93
Service Charge	3,607.10	3076.1	531.00
Small Tools and Equipment	6,085.09	6085.09	0.00
Staff Training	-1,301.67	-1301.67	0.00
Telephone			
Mobile	240.78	185.51	55.27
Telephone - Other	1,415.15	1136.09	279.06
Total Telephone	1,655.93	1321.6	334.33
 Travelling and Entertainment	 30,376.83	 28769.39	 1,607.44
Utilities			
Gas and Electric	536.18	451.18	85.00
Utilities - Other	100.00	100	0.00
Total Utilities	636.18	551.18	85.00
 Vehicle Expense	 27.23	 27.23	 0.00
Web and internet	9,304.41	4652.91	4,651.50
Total Expense	565,012.24	485730.34	79,281.90
 Net Ordinary Income	 -445,410.28	 -434107.7	 -11,302.58
 Other Income/Expense			
Other Income			
Interest Income	442.55	442.55	0.00
NW Development Agency Grant	18,064.20	18064.2	0.00
Total Other Income	18,506.75	18506.75	0.00
 Net Other Income	 18,506.75	 18506.75	 0.00
 Profit for the Year	 -426,903.53	 -415600.95	 -11,302.58

New Concept Gaming Ltd
Profit & Loss
May 2008 through April 2009

Ordinary Income/Expense

Income

Grant Income

Sales - Hardware

Total Income

Cost of Goods Sold

Freight and Shipping Costs

Purchases - Hardware for Resale

Subcontracted Services

Includes full provision for \$7 per unit

Total COGS

Gross Profit

Expense

Accounting Fees

Advertising and Promotion

Renegade

Bank Service Charges

Depreciation Expense

Amortisation of Patents

Depreciation Expense - Other

Total Depreciation Expense

Dues and Subscriptions

Exchange gain/loss

Insurance Expense

General Liability Insurance

Insurance Expense - Other

Total Insurance Expense

Interest Expense

Meals and Entertainment

Miscellaneous Expense

Office Expense

Consumables

Software

Stationery

Supplies

Office Expense - Other

Total Office Expense

Payroll

Payroll JG

Payroll - Other

Total Payroll

Postage and Delivery

Printing and Reproduction

Professional Fees

New Concept Gaming Ltd
Profit & Loss
May 2008 through April 2009

Professional Fees - NED etc
Professional Fees - Other License & patent work
Total Professional Fees

Rent and Rates
Research & Development Metatronics and AG
Service Charge
Small Tools and Equipment
Staff Training
Telephone
 Mobile
 Telephone - Other
Total Telephone

Travelling and Entertainment
Utilities
 Gas and Electric
 Utilities - Other
Total Utilities

Vehicle Expense
Web and internet Website update
Total Expense

Net Ordinary Income

Other Income/Expense

Other Income
 Interest Income
 NW Development Agency Grant
Total Other Income

Net Other Income

Profit for the Year

New Concept Gaming ltd
UK Balance Sheet - Standard
As at 30 April 2009

	30 Apr 09
ASSETS	
Fixed Assets	
Computer Equipment	
Cost	7,626.07
Depreciation	-733.13
Total Computer Equipment	6,892.94
Furniture and Fixtures	
Depreciation	-43.07
Total Furniture and Fixtures	-43.07
Office Equipment	
Cost	732.74
Depreciation	-159.68
Office Equipment - Other	1,334.80
Total Office Equipment	1,907.86
Patents & Licenses Cost	
Patents & Licenses - Depreciat	-8,125.97
Patents & Licenses Cost - Other	45,836.54
Total Patents & Licenses Cost	39,510.57
Total Fixed Assets	48,268.30
Current Assets	
Other Current Assets	
Prepaid Insurance	13,940.16
Prepayments	4,412.00
Total Other Current Assets	18,352.16
Accounts Receivable	
Accounts Receivable	310,159.32
Total Accounts Receivable	310,159.32
Cash at bank and in hand	
HSBC	115,851.79
Total Cash at bank and in hand	115,851.79
Total Current Assets	444,363.27
Current Liabilities	
Accounts Payable	
Accounts Payable	105,318.50
Total Accounts Payable	105,318.50
Credit Cards	
BL HSBC Credit Card	3,440.65
JG HSBC Credit Card	958.24
NCG Credit card	-117.39
Total Credit Cards	4,281.50
Other Current Liabilities	
Accruals	183,786.11
NIC Control Account	5,639.77
PAYE Control account	4,637.30
Payroll Control Account	7,651.18
VAT Liability	-10,355.56
Total Other Current Liabilities	191,338.78
Total Current Liabilities	300,938.78
NET CURRENT ASSETS	143,424.49
TOTAL ASSETS LESS CURRENT LIABILITIES	191,682.79
Long Term Liabilities	
Loan Stock 10%	575,000.00
Total Long Term Liabilities	575,000.00
NET ASSETS	-383,307.21
Capital and Reserves	
Members Equity	-133,736.64
Share Capital 'A' Shares	38,213.05
Share Capital Account	51,700.00
Share Premium Account	87,419.91
Profit for the Year	-426,903.53
Shareholder funds	-383,307.21

New Concept Gaming Limited

Balance Sheet

Date: 18/06/2009

Time: 16:35:07

From : Month 1, May 2009

To: Month 1, May 2009

Chart of Account:

Default Layout of Accounts

Period

Fixed Assets

Computer Equipment
Office Equipment
Patent and Licences

(69.87)
(43.07)
(188.81)

(301.75)

Current Assets

Debtors
Other Debtors
Deposits and Cash
Bank Account
VAT Liability

(48,217.98)
21,334.94
(1,173.36)
0.00
3,120.82

(24,935.58)

Current Liabilities

Trade Creditors
Other Creditors
P.A.Y.E and N.I.
Wages

(55,771.15)
51,828.57
(5,533.55)
(5,786.29)

Loan Interest Payable
Bank Account

5,750.00
15,899.46

6,387.04

Current Assets less Current Liabilities:

(31,322.62)

Total Assets less Current Liabilities:

(31,624.37)

Long Term

Liabilities

Creditors : Long Term - Loans

0.00

0.00

Total Assets less Total Liabilities:

(31,624.37)

Capital & Reserves

Share Capital

0.00

Reserves

0.00

P&L Account

(31,624.37)

(31,624.37)

Year to Date

6,823.07
1,821.72
39,321.76

47,966.55

261,941.34
39,687.10
(5,885.91)
99,952.33
13,221.98

408,916.84

47,641.45
235,594.68
4,743.52
1,864.89

5,750.00
0.00

295,594.54
113,322.30
161,288.85

575,000.00

575,000.00
(413,711.15)

177,332.96
(559,419.74)
(31,624.37)

(413,711.15)

Date: 23/07/2009

Time: 14:55:48

From : Month 2, June 2009

To: Month 2, June 2009

Chart of Account:

Default Layout of Accounts

New Concept Gaming Limited

Balance Sheet

Period

Fixed Assets

Computer Equipment

(69.87)

Office Equipment

(43.07)

Patent and Licences

(590.41)

(703.35)

Current Assets

Debtors

(198,581.34)

Other Debtors

175,741.06

Deposits and Cash

2,104.58

Bank Account

53,849.71

VAT Liability

2,804.98

35,918.99

Current Liabilities

Trade Creditors

(6,465.23)

Other Creditors

28,781.49

P.A.Y.E and N.I.

1,924.83

Wages

12,259.44

Loan Interest Payable	5,750.00	
		42,250.53
		(6,331.54)
		(7,034.89)
Long Term		
Creditors : Long Term - Loans	0.00	0.00
		(7,034.89)
Capital & Reserves		
Share Capital	0.00	
Reserves	0.00	
P&L Account	(7,034.89)	(7,034.89)

Year to Date

6,753.20	
1,778.65	
38,731.35	47,263.20
63,360.00	
215,428.16	
(3,844.36)	
168,131.33	
17,672.02	460,747.15
53,467.59	
279,376.17	
6,668.35	
14,124.33	

11,500.00

365,136.44

95,610.71

142,873.91

575,000.00

575,000.00

(432,126.09)

177,332.96

(559,419.74)

(50,039.31)

(432,126.09)

Date: 26/08/2009

Time: 17:46:30

From : Month 3, July 2009

To: Month 3, July 2009

Chart of Account:

Fixed Assets

Computer Equipment

Office Equipment

Patent and Licences

Current Assets

Debtors

Other Debtors

Deposits and Cash

Bank Account

VAT Liability

Current Liabilities

Trade Creditors

Other Creditors

P.A.Y.E and N.I.

Wages

Loan Interest Payable

Bank Account

Current Assets less Current Liabilities:

Total Assets less Current Liabilities:

Long Term

Creditors : Long Term - Loans

Liabilities

Total Assets less Total Liabilities:

Capital & Reserves

Share Capital

Reserves

P&L Account

New Concept Gaming Limited

Page:

Balance Sheet

Default Layout of Accounts

Period**Year to Date**

(69.87)

6,683.33

(43.07)

1,735.58

(367.43)

38,980.09

(480.37)

47,395

(45,869.89)

18,608.10

14,701.24

230,129.40

4,048.66

(0.01)

0.00

68,749.31

1,927.07

19,690.53

(25,192.92)

337,177

(25,845.88)

28,290.55

(15,000.00)

264,376.17

(1,770.32)

9,317.20

(398.51)

11,148.40

5,750.00

17,250.00

99,382.02

0.00

62,117.31

330,382

(87,310.23)

6,795

(87,790.60)

54,194

0.00

575,000.00

0.00

575,000

(87,790.60)

(520,805.

0.00

177,332.96

0.00

(559,419.74)

(87,790.60)

(138,719.21)

(87,790.60)

(520,805.

1

0.00

7.33

2.32

5.01

4.01

0.00

.99)

.99)

Balance Sheet**2009**

	<u>May</u>	<u>June</u>	<u>July</u>
Fixed Assets			
Computer Equipment	£6,823	£6,753	£6,683
Office Equipment	£1,822	£1,790	£1,770
Patent & Licenses	£39,322	£39,348	£38,958
	£47,967	£47,891	£47,411

Current Assets

Trade Debtors	£263,059	£264,085	£232,919
Other Debtors	£38,687	£15,818	£15,818
Bank & Cash	£115,281	£168,031	£66,894
VAT	£14,868	£17,766	£19,777
	£431,895	£465,700	£335,408

Current Liabilities

Trade Creditors	£80,982	£73,300	£42,463
COG Creditor	£40,827	£167,078	£167,078
Other Creditors	£194,768	£97,296	£83,126
PAYE/NI	£6,348	£11,087	£9,999
Net Salary	£1,569	£11,547	£9,008
Loan Interest Payable	£5,750	£11,500	£17,250
	£330,244	£371,808	£328,924

Long Term Loans

	£575,000	£575,000	£575,000
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Total Assets Less Total Liabilities

	-£425,382	-£433,218	-£521,105
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Capital & Reserves

Share Capital	£177,333	£177,333	£177,333
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Reserves
P & L

-£559,420 -£559,420 -£559,420
-£43,295 -£51,131 -£139,018

-£425,382	-£433,218	-£521,105
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[illegible]

Bfwd	6126	6515	6905	7295	8258.604	9222.208	10185.81	11149.42	12113.02
Charge	389	390	390	963.6042	963.6042	963.6042	963.6042	963.6042	963.6042
Closing	6515	6905	7295	8258.604	9222.208	10185.81	11149.42	12113.02	13076.63

Other Debtors	2009				2010				
	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>
Bfwd	18352	38687	15818	15818	15818	15818	15818	15818	15818
Movement	20335	-22869							
Closing	38687	15818	15818	15818	15818	15818	15818	15818	15818

Creditors	2009				2010				
	May	June	July	August	September	October	November	December	January
Opening	108126	80981.8	73300.15	42462.95	29581	37433.5	26738.5	29038.5	22038.5
Advertising and Promotion	21870	2612	860	2000	2000	2000	2000	2000	2000
Insurance	VAT 15.0%	3280.5	391.8	129	300	300	300	300	300
	VAT 0.0%	1267	1267	1267	1267	1267	1267	1267	1267
Meals and Entertainment		0	0	0	0	0	0	0	0
	VAT 0.0%	240	476	154	350	350	350	350	350
Metatronics		0	0	0	0	0	0	0	0
	VAT 0.0%	2351	48364	26199	15000	12000	12000	5000	12000
Office Expenses		0	0	0	0	0	0	0	0
	VAT 15.0%	1325	1072	403	500	500	500	500	500
Postage and Delivery		198.75	160.8	60.45	75	75	75	75	75
	VAT 0.0%	92	118	57	75	75	75	75	75
Printing and Reproduction		0	0	0	0	0	0	0	0
	VAT 15.0%	0	0	0	0	0	0	0	0
Professional Fees	550	11182	4920	4000	12000	3000	5000	5000	1000

[illegible]

[illegible][illegible]

Cfwd	£115,281	£168,031	£66,894	£29,855	£44,582	£25,046	£13,817	£38,822	£65,405
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[illegible]

[illegible]

3000	3000	3000	3000	3000	3000	3000	3000	3000	3000
450	450	450	450	450	450	450	450	450	450
1000	1000	1000	5000	5000	5000	5000	5000	5000	5000
150	150	750	750	750	750	750	750	750	750
-2300	-2300	-2300	-2300	-20429.92	-20429.92	-3005.682	-13460.23	-16248.11	-14157.2
-1267	-1267	-1267	-1267	-1267	-1267	-1267	-1267	-1267	-1267
-350	-350	-350	-350	-350	-350	-350	-350	-350	-350
-12000	-12000	-12000	-12000	-15000	-15000	-15000	-15000	-15000	-15000
-575	-575	-575	-575	-575	-575	-575	-575	-575	-575
-75	-75	-75	-75	-75	-75	-75	-75	-75	-75
0	0	0	0	0	0	0	0	0	0
-1150	-1150	-1150	-1150	-1150	-1150	-1150	-1150	-1150	-1150
-1150	-1150	-1150	-1150	-1150	-1150	-1150	-1150	-1150	-1150
-250	-500	-500	-2500	-2500	-2500	-2500	-2500	-2500	-2500
0	0	0	0	0	0	0	0	0	0
-50	-50	-50	-50	-50	-50	-50	-50	-50	-50
0	0	0	0	0	0	0	0	0	0
-57.5	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5
-57.5	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5
-3000	-1500	-1500	-1500	-1500	-1500	-1500	-1500	-1500	-1500
-150	-150	-150	-150	-150	-150	-150	-150	-150	-150
-57.5	-2300	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5	-57.5
0	-4025	0	0	0	0	0	0	0	0
-2268.95	-2268.95	-2268.95	-1380	-1380	-1380	-1380	-1380	-1380	-1380
0	0	0	0	0	0	0	0	0	0
-750	-750	-750	-750	-750	-750	-750	-750	-750	-750
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
-3450	-3450	-3450	-3450	-3450	-3450	-3450	-3450	-3450	-3450
-1150	-1150	-1150	-1150	-5750	-5750	-5750	-5750	-5750	-5750

30956	24688.5	26688.5
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February March April

83126 83126 83126

83126	83126	83126
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February March April

51750 57500 63250
5750 5750 5750

57500	63250	69000
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February March April

575000 575000 575000

575000	575000	575000
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February March April

3786.9 6197.85 1593.45

52418.42	52418.42	34994.18	45448.73	48236.61	46145.7	51372.97	53115.39	44403.27
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2010

May

June

July

August

September

October

November

December

2011

January

83126 83126 83126 83126 83126 83126 83126 83126 83126

83126	83126	83126	83126	83126	83126	83126	83126	83126
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2010

May

June

July

August

September

October

November

December

2011

January

69000 74750 80500 86250 92000 97750 103500 109250 115000
5750 5750 5750 5750 5750 5750 5750 5750 5750

74750	80500	86250	92000	97750	103500	109250	115000	120750
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2010

May

June

July

August

September

October

November

December

2011

January

575000 575000 575000 575000 575000 575000 575000 575000 575000

575000	575000	575000	575000	575000	575000	575000	575000	575000
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2010

May

June

July

August

September

October

November

December

2011

January

3186.9 7629.173 4442.273 6611.818 10145 3896.818 7520.909 11826.82 4533.182

2410.95	1593.45	1593.45	3186.9
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-6197.85

4442.273	4442.273	2169.545	3533.182	3896.818	3624.091	4305.909	4533.182	3396.818
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-7629.173

-10145

-11826.82

6197.85	1593.45	3186.9
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7629.173	4442.273	6611.818	10145	3896.818	7520.909	11826.82	4533.182	7930
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			2010			2011					
<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>
£65,405	£48,997	£59,639	£37,749	£34,597	£83,223	£117,401	£177,488	£95,448	£80,475	£126,986	£187,673
£110,606	£94,318	£54,545	£50,758	£180,303	£177,652	£177,652	£26,136	£117,045	£141,288	£123,106	£168,561
£110,606	£94,318	£54,545	£50,758	£180,303	£177,652	£177,652	£26,136	£117,045	£141,288	£123,106	£168,561
£25,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£25,000	£0	£25,000	£0	£0	£0	£0	£0	£0	£0	£0	£0
£0	£6,198	£0	£0	£7,629	£0	£0	£10,145	£0	£0	£11,827	£0
£68,364	£40,000	£26,667	£20,000	£98,182	£98,182	£98,182	£13,333	£64,242	£67,273	£50,303	£67,273
£49,091	£49,091	£49,091	£6,667	£32,121	£33,636	£25,152	£33,636	£33,636	£16,667	£6,667	£3,333
£68,364	£35,000	£23,333	£20,000	£98,182	£98,182	£98,182	£13,333	£64,242	£67,273	£50,303	£67,273
£30,108	£35,126	£28,858	£29,970	£55,699	£55,699	£38,275	£48,730	£51,518	£49,427	£54,654	£56,396
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£15,186	£17,483	£19,622	£19,622	£24,798	£24,798	£24,798	£24,798	£24,798	£24,798	£24,798	£24,798
£6,508	£7,493	£8,409	£8,409	£10,628	£10,628	£10,628	£10,628	£10,628	£10,628	£10,628	£10,628

£48,997	£59,639	£37,749
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£34,597	£83,223	£117,401	£177,488	£95,448	£80,475	£126,986	£187,673	£295,094
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February	March	April	May	June	July	August	September	October	November
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7626	7626	7626
7626	7626	7626

[illegible]

3802.75	3961.625	4120.5
158.875	158.875	158.875
3961.625	4120.5	4279.375

4279.375	4438.25	4597.125	4756	4914.875	5073.75	5232.625
158.875	158.875	158.875	158.875	158.875	158.875	158.875
4438.25	4597.125	4756	4914.875	5073.75	5232.625	5391.5

2068	2068	2068
2068	2068	2068

2068	2068	2068	2068	2068	2068	2068
2068	2068	2068	2068	2068	2068	2068

1073.5	1116.583	1159.667
43.08333	43.08333	43.08333
1116.583	1159.667	1202.75

1202.75	1245.83333	1288.91667	1332	1375.08333	1418.16667	1461.25
43.0833333	43.0833333	43.0833333	43.0833333	43.0833333	43.0833333	43.0833333
1245.83333	1288.91667	1332	1375.08333	1418.16667	1461.25	1504.33333

46253	46253	46253
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46253	46253	46253	46253	46253	46253
46253	46253	46253	46253	46253	46253

[illegible]

38479.03	37085.09	37085.09
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<u>February</u>	<u>March</u>	<u>April</u>
83126	83126	83126
83126	83126	83126

<u>February</u>	<u>March</u>	<u>April</u>
120750	126500	132250
5750	5750	5750
126500	132250	138000

<u>February</u>	<u>March</u>	<u>April</u>
575000	575000	575000
575000	575000	575000

<u>February</u>	<u>March</u>	<u>April</u>
7930	10554.09	2442.273

42181.6818	39393.803	39393.803	39393.803	46363.5	49848.3485	58560.4697
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2011	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>
	83126	83126	83126	83126	83126	83126	83126
	83126	83126	83126	83126	83126	83126	83126

2011	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>
	138000	143750	149500	155250	161000	166750	172500
	5750	5750	5750	5750	5750	5750	5750
	143750	149500	155250	161000	166750	172500	178250

2011	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>
	575000	575000	575000	575000	575000	575000	575000
	575000	575000	575000	575000	575000	575000	575000

2011	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>
	4884.54545	8107.54091	2859.35909	5718.71818	8578.07727	3768.45	7991.44545

3222.99545 2859.35909 2859.35909 2859.35909 3768.45 4222.99545 5359.35909

-8107.5409 -8578.0773

8107.54091	2859.35909	5718.71818	8578.07727	3768.45	7991.44545	13350.8045
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2011

<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>
£295,094	£441,530	£517,474	£521,228	£513,184	£506,380	£559,559	£555,769	£552,071	£532,826
£183,712	£107,955	£56,439	£44,318	£44,318	£88,636	£64,394	£64,394	£64,394	£125,000
£183,712	£107,955	£56,439	£44,318	£44,318	£88,636	£64,394	£64,394	£64,394	£125,000
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£0	£10,554	£0	£0	£8,108	£0	£0	£8,578	£0	£0
-£67,273	-£33,333	-£13,333	-£6,667	-£6,667	-£13,333	-£13,333	-£13,333	-£13,333	-£33,333
-£3,333	-£6,667	-£6,667	-£6,667	-£6,667	-£16,667	-£25,152	-£33,636	-£33,636	-£16,667
-£67,273	-£33,333	-£13,333	-£6,667	-£6,667	-£13,333	-£13,333	-£13,333	-£13,333	-£33,333
-£47,684	-£41,760	-£40,366	-£41,255	-£46,352	-£43,564	-£43,564	-£43,564	-£50,533	-£54,018
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
-£24,798	-£24,798	-£24,798	-£24,798	-£26,038	-£26,038	-£26,038	-£26,038	-£26,038	-£26,038
-£10,628	-£10,628	-£10,628	-£10,628	-£11,159	-£11,159	-£11,159	-£11,159	-£11,159	-£11,159

£441,530	£517,474	£521,228	£513,184	£506,380	£559,559	£555,769	£552,071	£532,826	£608,278
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2012

<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
7626	7626	7626	7626	7626
7626	7626	7626	7626	7626
5391.5	5550.375	5709.25	5868.125	6027
158.875	158.875	158.875	158.875	158.875
5550.375	5709.25	5868.125	6027	6185.875
2068	2068	2068	2068	2068
2068	2068	2068	2068	2068
1504.33333	1547.41667	1590.5	1633.58333	1676.66667
43.0833333	43.0833333	43.0833333	43.0833333	43.0833333
1547.41667	1590.5	1633.58333	1676.66667	1719.75
46253	46253	46253	46253	46253
46253	46253	46253	46253	46253

34275.9167	35239.5208	36203.125	37166.7292	38130.3333
963.604167	963.604167	963.604167	963.604167	963.604167
35239.5208	36203.125	37166.7292	38130.3333	39093.9375

2012

<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
15818	15818	15818	15818	15818
15818	15818	15818	15818	15818

2012

<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
58560.4697	62045.3182	51590.7727	42181.6818	40787.7424
26136.3636	17045.4545	8863.63636	7651.51515	7651.51515
3920.45455	2556.81818	1329.54545	1147.72727	1147.72727
1267	1267	1267	1267	1267
0	0	0	0	0
350	350	350	350	350
0	0	0	0	0
15000	15000	15000	15000	15000
0	0	0	0	0
500	500	500	500	500
75	75	75	75	75
75	75	75	75	75
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1000	1000	1000	1000	1000

150	150	150	150	150
1000	1000	1000	1000	1000
150	150	150	150	150
2500	2500	2500	2500	2500
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
50	50	50	50	50
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
50	50	50	50	50
7.5	7.5	7.5	7.5	7.5
50	50	50	50	50
7.5	7.5	7.5	7.5	7.5
1500	1500	1500	1500	1500
0	0	0	0	0
150	150	150	150	150
0	0	0	0	0
50	50	50	50	50
7.5	7.5	7.5	7.5	7.5
0	0	0	0	0
0	0	0	0	0
1973	1973	1973	1973	1973
295.95	295.95	295.95	295.95	295.95
0	0	0	0	0
0	0	0	0	0
750	750	750	750	750
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

3000	3000	3000	3000	3000	3000
450	450	450	450	450	450
5000	5000	5000	5000	5000	5000
750	750	750	750	750	750
-26571.97	-30056.818	-19602.273	-10193.182	-8799.2424	
-1267	-1267	-1267	-1267	-1267	-1267
-350	-350	-350	-350	-350	-350
-15000	-15000	-15000	-15000	-15000	-15000
-575	-575	-575	-575	-575	-575
-75	-75	-75	-75	-75	-75
0	0	0	0	0	0
-1150	-1150	-1150	-1150	-1150	-1150
-1150	-1150	-1150	-1150	-1150	-1150
-2500	-2500	-2500	-2500	-2500	-2500
0	0	0	0	0	0
-50	-50	-50	-50	-50	-50
0	0	0	0	0	0
-57.5	-57.5	-57.5	-57.5	-57.5	-57.5
-57.5	-57.5	-57.5	-57.5	-57.5	-57.5
-1500	-1500	-1500	-1500	-1500	-1500
-150	-150	-150	-150	-150	-150
-57.5	-57.5	-57.5	-57.5	-57.5	-57.5
0	0	0	0	0	0
-2268.95	-2268.95	-2268.95	-2268.95	-2268.95	-2268.95
0	0	0	0	0	0
-750	-750	-750	-750	-750	-750
0	0	0	0	0	0
0	0	0	0	0	0
-3450	-3450	-3450	-3450	-3450	-3450
-5750	-5750	-5750	-5750	-5750	-5750

62045.3182	51590.7727	42181.6818	40787.7424	40787.7424
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2012

<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
83126	83126	83126	83126	83126
83126	83126	83126	83126	83126

2012

<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
178250	184000	189750	195500	201250
5750	5750	5750	5750	5750
184000	189750	195500	201250	207000

2012

<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
575000	575000	575000	575000	575000
575000	575000	575000	575000	575000

2012

<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
13350.8045	5813.90455	10264.1727	13487.1682	3041.17727

5813.90455 4450.26818 3222.99545 3041.17727 3041.17727

-13350.805 -13487.168

5813.90455	10264.1727	13487.1682	3041.17727	6082.35455
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2012

<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
£608,278	£725,035	£945,866	£1,237,757	£1,441,938
£155,303	£231,061	£261,364	£170,455	£88,636
£155,303	£231,061	£261,364	£170,455	£88,636
£0	£0	£0	£0	£0
£0	£0	£0	£0	£0
£13,351	£0	£0	£13,487	£0
-£50,303	-£67,273	-£67,273	-£33,333	-£13,333
-£6,667	-£3,333	-£3,333	£0	£0
-£50,303	-£67,273	-£67,273	-£33,333	-£13,333
-£62,730	-£66,215	-£55,761	-£46,352	-£44,958
£0	£0	£0	£0	£0
£0	£0	£0	£0	£0
£0	£0	£0	£0	£0
£0	£0	£0	£0	£0
-£26,038	-£26,038	-£26,038	-£26,038	-£26,038
-£11,159	-£11,159	-£11,159	-£11,159	-£11,159

£725,035	£945,866	£1,237,757	£1,441,938	£1,510,390
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1. Application Details

Applicant New Concept Gaming Limited
Liverpool Science Park
131 Mount Pleasant
Liverpool
L3 5TF
Tel: 0151 705 3616
Fax: 0151 705 3618
e-mail: Brendan.ludden@newconceptgaming.com

Duration of Grant September – December 2009

Amount of Grant £10,981

2. PROJECT DESCRIPTION, OBJECTIVES AND RATIONALE

Appraisers comments on Section 2 of the Application

The application from New Concept Gaming Ltd (NCG) is for £10,981 funding towards a project to relocate the business from Liverpool Science Park to Brandon Street in Birkenhead in order to reduce the company's property related costs with the savings being utilised to provide working capital to support the production and launch of a new exergaming product. The purpose of this product and others now under development is to bring the industries of video gaming and health and fitness together by translating players' natural body movements – running on the spot, jumping, kicking, turning into game movement through easy to use low cost video console accessories that will operate with virtually any game.

NCG was established April 2005 as a Private Limited Company commencing initial pilot operations and intellectual property creation in September 2006. In January 2008 NCG secured investment from MSIF – now Alliance Fund Managers – which has totalled £700,000 to-date and represents 42% of the share ownership, with 55% owned by the four key employees/directors and 3% by an external investor. NCG's first product JOG was launched in the UK in May of this year and to date has sold around 100,000 units world-wide.

NCG also wholly own New Concept Gaming Laboratories Ltd incorporated in June 2008 and based at the same address in Liverpool but no details have been provided about its purpose or activities although from our own limited due diligence it is noted that the directors are common to both businesses but without financial information it is not possible to understand if there is a shared financial liability.

The main objective of the project is to reduce the property related costs by 50% by moving from Liverpool city centre to Birkenhead with the assistance of a Business Investment Grant. If the grant is obtained NCG will manage and implement the relocation of the 5 employees and equipment themselves, ensuring continuation of employment of key staff and without affecting the planned product launch.

The accompanying business plan and financial forecasts support this application for funding demonstrating that without this grant support the business would not proceed with the

relocation putting the business under additional financial pressure during the present period of expansion. Examination of the financial position of NCG shows that the business credit score puts it into a high risk category. Between 2008 and 2009 it has received £733,064 of investment - £700,000 MSIF and £33,064 from NWDA through a Research and Development Grant and is now seeking further public sector support from the Wirral Council Business Investment Grant.

The brief management accounts provided show turnover of £380,000 for the twelve months May 2008 to April 2009 with losses of £430,000 with this position continuing through to April 2010 and then this position turning around by April 2012 based on turnover and gross profit growth to return around £1.0m net profit. Against this background the extract from the accounts show net liabilities of £370,000 within which there is a long-term creditor of £575,000 which is assumed to be the debenture created in January 2008 in the name of Liverpool Seed Fund Limited Partnership and Alliance Fund Managers Nominees Limited in relation to part of the £700,000 capital injection from MSIF and is critical to the company being able to continue operations until new products can be introduced generating increased turnover and profitability.

NCG's present solvency is, therefore, being managed by support from public sector grants and private sector investment and as such the company is high risk and solely dependent on the success of its new products enabling it to trade out of its present position. Whether it can achieve the level of growth required to secure its ongoing solvency cannot be assessed but there is no doubt that it requires funding from any source to assist it through this critical period as the cash flow forecast shows a continuing deficit through to May 2010 when there will be a shortfall of around £45,000.

The project did not reach appraisal until week commencing 14th September 2009 but as presented, subject to confirmation of ongoing solvency, would meet the criteria for support from the Business Investment Grant as a potential inward investment, with the need for urgent decisions to be taken regarding its financial position and future operations. The appraisal has, therefore, been completed based on available information which through the application, business plan and financial forecasts demonstrates the need for grant support but also clearly identifies the high risk in supporting this business and the urgent need either for additional overdraft or short-term loan facilities whilst making any other internal savings that may be possible to enable it to continue trading.

In response the company has advised that they presently have no overdraft available from their current bank but are involved in protracted negotiations with another bank to try to secure improved financial facilities including a £50,000 overdraft. The forecasts provided by NCG assume the overdraft will be secured and relocation to Wirral will take place as planned. Failure to secure the new financial facilities will mean that if the relocation takes place there will be a cash shortfall, which the directors of NCG will address by reducing outsourced development work and operating with reduced working capital which potentially will delay the new product coming to market and increase the already high financial pressures on the business further confirming the high risk status.

3. PROJECT COSTS AND FUNDING ARRANGEMENTS

Appraisers comments on Section 3 of the Application

3.1 Total Project Costs.

To enable NCG to complete their relocation to Wirral and carry out the essential works needed for the operation of the business a small short term investment is required to allow the company to continue with its planned development, which is forecast to lead to significant and rapid growth.

Project costs	2009/10	2010/11
Lease on identified property	£6,000	£6,000
Rates for identified property	£1,261	£1,261
Security	£650	
Furniture and facilities	£4,050	
IT and telecommunications	£2,620	
Relocation	£120	
Total Project Cost	£14,701	£7,261

The project requires all of the above investment (2009/10) to take place within a two to three month period to enable the company to relocate into the new premises as soon as possible. The relocation will be undertaken by NCG employees, but the company is also seeking further rent and rates support for 2010/11 to aid its cash flow.

3.2 Total Project Funding.

Funding	2009/2010	2010/2011
Funding requested from Wirral Council	£7,350	£3,630
Balance of funding to be provided by (to be advised)	£7,351	£3,631
Total	£14,701	£7,261

NCG wish to undertake this project as soon as possible and for reasons stated above have to advise how the balance of the required funding £10,981 – 50% of the overall project cost – will be provided given their current banking negotiations and assuming that the 50% being sought from Wirral Council through the Big Investment Grant is agreed to enable the project to proceed as soon as possible.

3.3 Comments on need for funding

The application and business plan and financial information clearly demonstrate the need for additional resources to be introduced into the business to ensure continued solvency and to assist NCG with their relocation and contribute to the realisation of their growth plan.

NCG need to move forward quickly to benefit from the reduced property operating costs and to continue with their planned new product launch. However, as mentioned above, before a decision can be taken to provide the required grant confirmation is needed that the balance of the cost £10,981 can be provided and from what source and that the ongoing deficit in the cash flow can be satisfactorily bridged to ensure solvency. Obtaining this grant support would, therefore, help to reduce the financial pressure at NCG but in isolation will not be sufficient to maintain business trading.

4. PROJECT TIMETABLE

Appraiser's comments on Section 4 of the application

Given the urgency to reduce costs NCG anticipate that the complete project could, subject to property remaining open and finance being available be finalised within about a month and ideally by the end of October 2009. The critical element that will impact on this timetable is the availability of sufficient funding to complete the project and secure ongoing solvency.

5. PROJECT OUTPUTS AND BENEFITS

Appraiser's comments on section 5 of the application

If the project goes ahead, the outputs and benefits of the project will be achieved immediately by the company with the lower property operating costs and by Wirral with a presently

unoccupied building in Birkenhead being brought back into use and being used by a growth sector business.

The growth plans for NCG will ensure that safeguarding of the existing 5 employees who will transfer with the business when it moves from Liverpool and assuming that the growth plan can be satisfactorily funded and delivered, NCG anticipate that a further 3 or 4 extra posts will be created within the next 12 months. The chosen property in Birkenhead, although at a lower cost to that of Liverpool is sufficiently large to allow for the forecast growth and to accommodate the extra staff mentioned above.

6. RISK ASSESSMENT

Appraiser's comments on section 6 of the application

NCG in their application have only identified one risk, namely that of not securing the grant which would lead to the project to relocate to Wirral being cancelled and the business remaining in Liverpool. The application does not say where in Liverpool, but it is difficult to see how it could remain at its current address given the urgent need to save money on property related costs. If NCG does stay in Liverpool it would be disappointing for Wirral as it is a business in a growth sector which is poised for success and if achieved would be a potentially useful contributor to Wirral's business base and the local economy. However, as identified earlier in this appraisal it is not just the savings from this relocation that are needed by NCG but more significantly a source of funding to bridge the large cash flow deficit that is forecast to occur until May 2010 and it is the latter point that is the critical risk to the project as without this finance the business will quickly become insolvent.

From the information provided by NCG there is no evidence as to the director's capability or experience of successfully managing and/or minimising the impact of financial risks occurring now or at any future stage of the project development and implementation or the product development and launch etc in the future other than the key players all have experience in large blue chip telecoms and video game businesses.

7. ADDITIONAL INFORMATION

Appraiser's comments on section 7 of the application including financial assessment i.e. Project Business Plan, accounts and other information submitted to support application

The application submitted by NCG generally satisfies the Wirral Council Business Investment Grant criteria subject to being able to demonstrate satisfactory financial resources to address the ongoing solvency issue. The information provided by NCG to justify seeking support from this grant programme has generally covered all aspects of the project to explain why and how they were intending to complete the relocation. If it goes ahead and short-term solvency issues can be suitably addressed, the completion of the project will contribute to the safeguarding of five highly skilled FTE jobs and within twelve months potentially create three or four new FTE jobs.

Whilst NCG has a history to date of securing significant investments from both the private and public sector, it has little trading history and has made no profit. As a result, the financial information provided has highlighted that NCG's solvency in the short-term at least, is in a critical position and then if this can be overcome there is a total reliance on being able to trade out of deficit into profitability. There is no evidence that the company will be able to do this, however, the directors of NCG are optimistic about its future growth and success based on their combined experience of blue chip business operations in global markets.

Based on this appraisal, supporting NCG's application is a very high risk, whether viewed in the short, medium, or long-term as shown below:

a) Short-term – there is an immediate need to reduce costs which relocating to Wirral will contribute to, but there is a greater need to secure funding to cover the cash flow deficit forecast between October 2009 and May 2010 which peaks in the latter month at around £45,000. Without this funding in place, with or without the Wirral Council grant support the business will rapidly become insolvent. However, if NCG can secure the additional finance to cover the deficit and secure their solvency then through the provision of a small grant Wirral will have secured a technology business in a growth sector.

b) Medium-term – assuming NCG can resolve its present short-term cash deficit it will be totally reliant on rapidly growing its income from May 2010 onwards based on sales of its new products to trade its way to increased turnover and gross profits to reach its forecast £1.0m net profit by April 2012. If this turn-round position can be achieved the Wirral business base/economy will be potentially boosted by the presence of a high growth business in a high growth global market.

c) Long-term – given that to be successful NCG will have to be a global player and having originally moved to Birkenhead to reduce costs the intention will be to work with it to ensure that it remains in Wirral and to do so will Wirral have suitable property ideally to attract other players in this and related high technology sectors?

8. RECOMMENDATIONS

As there are serious financial issues to be addressed by NCG in parallel with this application, if they can secure the additional funding needed to avoid insolvency in the short-term and provide assurances of its delivery capability as the basis of long-term security, then recognising that the venture is high risk, but there are some greater medium to long-term benefits to be achieved for the local economy it can be recommended that a grant of £10,981, payable in stages against defrayed expenditure, over two years, as requested, is offered to New Concept Gaming Ltd to enable the company to relocate from Liverpool to Birkenhead, safeguarding five existing FTE jobs and potentially creating three/four new FTE jobs within 12 months subject to:

- a) the actual grant received not exceeding 50% of the full amount payable to remain within State Aid limits;
- b) New Concept Gaming Ltd providing evidence that funding has been secured to cover the cash flow deficit until at least May 2010;
- c) New Concept Gaming Ltd providing evidence that the balance of the funding required to commence the project has been confirmed;
- d) New Concept Gaming Ltd remaining in Wirral for a period of three years following receipt of the full grant;
- e) regular meetings are held between New Concept Gaming Ltd and Wirral Council/Invest Wirral to monitor progress of the relocation project and the development of the business operations to ensure that as the business grows every opportunity is made to ensure it does so as part of the Wirral economy;
- f) a standard grant agreement is put in place between Wirral Council and New Concept Gaming Ltd as the applicant.

Name of Appraiser

[REDACTED]

Department and Position

Regeneration Department - Project Manager

Date of Appraisal

19th September 2009

From: [REDACTED]
Sent: 30 September 2009 09:20
To: [REDACTED]
Subject: FW: BIG Fund
Hi [REDACTED]

Are you happy for me to send the offer letter to NGC. They have provided the below email to answer the conditions of the grant. [REDACTED] said it looks fine to [REDACTED].

Kind Regards,
[REDACTED]
Business Development Manager

Invest Wirral
Egerton House
2 Tower Road
Birkenhead
Wirral
CH41 1FN

0151 650 6926
Mobile: 07920283531

gemmahenry@wirral.gov.uk
www.investwirral.com

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From: Brendan Ludden [mailto:brendan.ludden@newconceptgaming.com]
Sent: 28 September 2009 13:25
To: [REDACTED]
Subject: RE: BIG Fund

Hi [REDACTED]

Please find attached an updated cash flow.

We have made 2 changes to the forecast I sent you earlier this month:

- 1) Included the final GRAND-award payment of £46,270.32. This is a piece of work that was completed at the end of August and we are now submitting the paperwork. NWDA came to review 2 weeks ago and everything looks good. Our FD put a conservative holding number of £10k into the forecast which I have now updated. Copy of claim attached.
- 2) Because we manufacture, our cash flow is significantly impacted by volume of orders, supply chain issues and how we raise finance. Finance is typically a mix of Letters of Credit, trade finance such as invoice discounting, bank facility and good old fashioned hard cash. We of course have the ability to manage our cash flow in real time and balance the mix of payment methods based upon our current situation. I have tweaked one value in the forecast in addition to the update from 1) above. The previous assumption was that we needed cash for 25% of the

build materials 60 days ahead of sale. This value has been dropped to 20% which in real terms means that we keep a lower inventory of components in stock the first thing we would do to reduce cash in the supply chain.

Updated forecast attached.

I can also confirm that we have ring-fenced the balance of the funding required for the project.

I hope this is sufficient to meet the conditions of the panel,

Best regards,

Brendan

From: [redacted] [mailto:[redacted]@wirral.gov.uk]
Sent: 28 September 2009 10:59
To: Brendan Ludden
Subject: RE: BIG Fund

Hi Brendan,

I have just received the final report from the grant panel and the following conditions have been applied to your grant. I will need the evidence that has been requested before I can post your offer letter:

- New Concept Gaming Ltd providing evidence that funding has been secured to cover the cash flow deficit until at least May 2010,
- New Concept Gaming Ltd providing evidence that the balance of the funding required to commence the project has been confirmed.

Please can you satisfy the above conditions and let me know if you have any queries.

Kind Regards,

[redacted]
Business Development Manager

Invest Wirral
Egerton House
2 Tower Road
Birkenhead
Wirral
CH41 1FN

[redacted]
Mobile: [redacted]

[redacted]@wirral.gov.uk
www.investwirral.com

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Number of Pages Included:

Final Claim:

Interim Claim:

Audit Certificate Attached:

CLAIM FORM AND MONITORING REPORT FOR EXPENDITURE INCURRED AND DEFRAID IN THE PERIOD

FROM

01-04-2009

TO

31-08-2009

Date of Offer Letter or Contract:

24-07-2008

PROJECT DETAILS

Claim Type:

Project/Scheme No:

X	0	1	0	9	3	P	R
---	---	---	---	---	---	---	---

NWDA Contract Manager/Monitoring Officer:

Name of Approved Project Scheme:

Grant for Research and Development

Accountable Body/Company Name:

New Concept Gaming Limited

Amount claimed this period:

FINANCIAL DETAILS

If the bank details have changed since the last claim please tick here:

☐

Name of Finance Contact: Brendan Ludden

Bank Account Details

Address for notification of payment:

(please complete at every claim)

Liverpool Science Park, 131 Mount Pleasant,

Account Name:

Liverpool L3 5TF

Bank Account

Telephone Number: 0151 705 3616

Sort Code:

E-Mail Address: brendan.ludden@newconceptgaming.com

Bank Name:

Signature of Chief Financial Officer (or Equivalent):

Position: Managing Director

Date:

FOR NWDA COMPLETION ONLY - PROJECT DETAILS

Cost Centre	Account Code	Activity	PMS Project Number	Net Amount (£)

Is this a final claim? Yes/ No If yes has audit been submitted? Yes/No

Total

NWDA FINANCE USE ONLY

Vendor Code:	Received By:
Input by:	
Date:	
Scan Details:	

System Reference:

CLAIM INFORMATION

1. Total Contract/Offer Value

90,321

D D M M Y Y

D D M M Y Y

Claim for expenditure incurred/defrayed between

010409

310809

	£
(a) Total Approved Grant Funding	90,321
(b) Cumulative actual expenditure (i.e. payments made) against which grant is being claimed	£181,122.75
(c) Grant received to date	£44,050.68
(d) Grant now claimed	£46,270.32

AUTHORISATION DETAILS

Certificate of Chief Financial Officer (or equivalent) of partner / accountable body

I apply for payment towards the expenditure detailed above.

I certify that to the best of my knowledge and belief:

- 1) The information in this form is true and correct.
- 2) We have not received and will not receive any specific grants, other support or contributions towards the expenditure for which payment is now being sought.
- 3) The grant claimed is in respect of items eligible for, and approved for, NWDA funding.
- 4) The claim is made in accordance with the offer letter / contract stated above.

Signature

Position

Name (Block Capitals)

Date

AUDIT REQUIREMENTS

ALL SINGLE PROGRAMME PROJECTS/ SCHEMES TO COMPLETE

(Tick a or b)

Please Tick As
Appropriate:

a. How often are audited letters submitted, as stipulated in the contract?

☐

monthly

☐

quarterly

☐

annually

b. Find attached audit letter/ Statement of Grant Expenditure as stipulated in contract.

☐

yes

☐

no

Supplementary Information on Claim for an Instalment of R & D Grant

research projects, development projects,
exceptional projects and micro projects

- * Please read your offer letter and the guidance notes at the back of this claim form before preparing your claim
- * We aim to pay claims within 30 days. However, we can not make payment unless all the required information has been submitted to support your claim. We reserve the right to ask for further information and withhold payment until we have all the required information.
- * Please type your answers, or write in black ink using CAPITAL LETTERS.
- * All details given in this form should relate to actual expenditure on your project.
- * If you need further advice, please contact your project officer (see offer).
- * Where boxes are provided, please mark the correct box with a tick.
- * Further copies of this form can be obtained from our website at www.nwda.co.uk

I confirm that I have enclosed with this form:

A Project Report covering the progress to date	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Latest audited business accounts and any Parent Company or Group accounts where applicable (see your offer letter). If these are more than 3 months old, the most recent audited or management accounts must also be supplied	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
A report by an independent accountant confirming the costs of this claim (N.B. required for 1 st and final claims for development and exceptional development projects, and final claims only for research projects)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Lists (for example, timesheets) showing how labour and capital equipment costs were incurred.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
An up-to-date estimate of project costs indicating any significant variations.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

You must sign and date pages 1 & 2 of this form. If you fail to do so, we will return your claim. This form must be signed by someone with the legal authority to bind the Business to the terms and conditions of the offer letter. If you are a company, a director must sign. If you are a sole trader, the owner must sign. If you are a partnership, a partner with the authority to obligate the partnership must sign.

Project dates:	Start date:
	End date:
Have there been, or are there likely to be, any changes in the ownership or control of your business?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If 'Yes', please give details within your project report.
Have there been, or are there likely to be, any changes to the status of your business (for example, sole trader to limited company)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If 'Yes', please give details within your project report.

Project Expenditure

Claims should be submitted either quarterly or within an agreed claiming timetable set out in your offer letter. Claims must be made against costs incurred and spent within a given a claim period. Copies of related invoices for items over £100 should be provided.

Please enter, under the headings listed in your offer letter, the net eligible amount spent on your project during the period of the claim (excluding VAT). Contingencies and inflation must not be included in any of the costs.

	Amount spent £ (total of previous periods/quarters)	Spent this period £	Total spent £	Grant claimed £ @ 48 %
Staff pay (for work carried out on the project)	18,600	30,000	48,600	14,400
Overheads	3,120	1,960	5,080	940.8
Materials consumed during the claim period	2,039.59	11,336.35	13,375.94	5,441.45
Consultancy fees	0	0	0	0
Subcontract charges	27,112.09	49,832.04	76,944.13	23,919.38
Fees for trials and testing	0	8918	8913	4,280.64
Preparation of technical manuals	0	0	0	0
Licensing in new technology/IPR costs	0	0	0	0
*Net cost of capital equipment and tooling	2,528.79	22,194.55	24,723.34	11,867.2
Hire/purchase and leasing	0	0	0	
Market assessment	0	0	0	
Training	0	0	0	
Other as specified in offer letter	738.03	2743.31	3481.34	1,316.79
TOTALS	54,138.50	126,984.25	181,122.75	60,952.44

* (Net cost is the amount defrayed, less the established value at the end of the project)

Project Background

Have there been, or are there likely to be, any changes in the nature, scale or timing of the project?	Yes <input type="checkbox"/> One month longer If 'Yes', please give details within your project report.
Are the project costs likely to vary significantly (plus or minus 15% or more)?	No <input type="checkbox"/> If 'Yes', please give details within your project report.
Has there been, or are there likely to be, any changes in the prospects for technical and commercial success?	No <input type="checkbox"/> If 'Yes', please give details within your project report.
Has there been, or are there likely to be any other public authority grant paid towards your project?	No <input type="checkbox"/> If 'Yes', please give details within your project report.

Jobs Created since last claim (or start of project if this is the first claim)

Please give details of any new jobs created in your business as a result of this project

Job titles	Qualifications	Salary	Number Full time (30 or more hours/week)	Number Part time (15 or more hours/week)
Applied Mathematician	Masters Degree	20k per annum pro rata	FT (one month placement)	

New Collaborations since last claim (or start of project if this is the first claim)

Please give details of any new collaborations between your business and any of the following organisations as a result of this project: Research and Technology Organisation; Higher Education Institute; Further Education Institute; UK Public Sector Research Establishment; or Research and Development Organisation.

Name of organisation	Nature of collaboration

THIS FORECAST MUST BE COMPLETED AND SUBMITTED WITH EVERY CLAIM

Claims Forecast

Please update with actual figures when submitting

	<u>Actual Claim Period</u>		<u>Date Claim Expected to be received at NWDA (Upto 8 weeks after period end date at the latest)</u>	FORECAST AMOUNT	Actual Amount
	From:	To:			
FY April – March 2009/10			PREPAYMENT		<u>£18,064.20</u>
	14-8-8	31-3-9	PERIOD 1		<u>£25,986.47</u>
	1-4-9	31-8-9	PERIOD 2		<u>£46,270.32</u>
			Total		
FY April – March 2010/11					
			Total		
FY April – March 2011/12					
			Total		
GRAND TOTAL					

Progress Report - guidance notes

You must provide a report on the progress of your project. A Progress Report should be brief and relate to the progress made against the workplan and milestones. We do not need a lengthy document, but the information provided should be focused on providing us with a picture of progress.

□ Progress (Gantt) chart

Update a copy of your progress (Gantt) chart to reflect the level of progress relating to project tasks. This provides a view on how specific tasks are progressing and an overall view of how the project is progressing within its timeframe towards the agreed completion date.

□ Technical progress

This report should support the information in your progress (Gantt) chart. Your report will need to cover:

- which tasks have been started;
- what has been done;
- which tasks have been completed;
- who has been/is working on the tasks;
- any problems that have been encountered;
- how these problems have been overcome or how you are accommodating any delays;
- justification in the event of project costs differing from the original profile.

We do not require a detailed technical report (but please append any supporting documents to the report you feel necessary). We do need to establish how the work is progressing against the original workplan.

□ Commercial and exploitation

Keep us informed of what steps, if any, have been taken to progress or establish the commercial prospects of your product or process (for example, has the product or process been protected; have you approached any manufacturers or potential investors; has anyone shown any particular interest and so on).

We need to be reassured that you are contemplating how and taking steps to realise the market potential of your idea.

□ Overview

Your overview should cover:

- whether you are on course to complete the work in accordance with the agreed timeframe;
- any changes to the project team or business situation;

- whether you see the need for a project extension - you must request an extension ahead of the completion date and tell us why you need an extension AND you should note that extensions are not automatically accepted and may be refused;
- whether you need to revise the work plan or expenditure forecast;
- what you will be doing over the next reporting period and what problems you are anticipating.

□ Final progress reports

A Final Report should be submitted with your final claim and must summarise the work throughout the duration of the project and relate the achievements against the workplan. Let us know what problems were encountered and how they were overcome. We would also expect the Final Report to outline the exploitation plan for the following 6-12 months. It is important to demonstrate that you have carefully planned the exploitation of the work. Your local Business Link advisor may be able to help you in this aspect.

□ Independent Accountant's Report

Development projects and exceptional projects require an audit report to accompany the first and final claims.

Research projects require an audit report to accompany the final claim.

Audit reports accompanying final claims must cover total project expenditure.

This audit report must be in the format specified in the offer letter and must certify actual project expenditure.

Article I. NOT FOR PUBLICATION

By virtue of paragraph(s) 3 of Part 1 of Schedule 12a of the Local Government Act, 1972.

WIRRAL COUNCIL

SEPTEMBER 2009

REPORT OF THE DEPUTY CHIEF EXECUTIVE/DIRECTOR OF CORPORATE SERVICES

COMPANY NAMED IN THE REPORT – REQUEST FOR FINANCIAL ASSISTANCE

1.0 Executive Summary

- 1.1 This report seeks approval to provide a grant from the Big Investment Fund to the company named in the report in the sum of £10,981. This is to assist towards the company's relocation to Wirral from outside of the Borough.

2.0 REPORT

- 2.1 The application from New Concept Gaming Ltd (NCG) is for £10,981 towards a project to relocate the business from Liverpool Science Park to Brandon Street in Birkenhead in order to reduce the company's property related costs. The savings will be utilised to provide working capital to support the production and launch of a new gaming product which is an attachment for the Nintendo Wii. The purpose of this product and others now under development is to bring the industries of video gaming and health and fitness together by translating players natural body movements such as, running on the spot, jumping, kicking, turning into game movement through easy to use low cost video console accessories that will operate with virtually any game.
- 2.2 The project has a total cost of £21,962 during financial years 2009/10 and 2010/11. The project requires an investment of £14,701 in 2009/10 to take place within a two to three month period to enable the company to relocate into the new premises as soon as possible, the company is also seeking further rent and rates support for 2010/11 to aid its cash flow. The funding requested from Wirral Council contributes to 50% of the overall project costs. On payment of this grant the company will not exceed state aid limits as they have not received over €500,000 (£460,150 at the current exchange rate) of public money allowable in a three year period.
- 2.3 NCG was established April 2005 as a Private Limited Company commencing initial pilot operations and intellectual property creation in September 2006. In January 2008 NCG secured investment from MSIF (now Alliance Fund Managers) which has totalled £700,000 to date and represents 42% of the share ownership, with 55% owned by the four key employees/directors and 3% by an external investor. NCG's first product "jOG" was launched in the UK in May of this year and to date has sold around 100,000 units world-wide.
- 2.4 The main objective of the project is to reduce the property related costs by 50% by moving from Liverpool city centre to Birkenhead with the assistance of a Business Investment Grant. If the grant is obtained NCG will manage and implement the

relocation of the 5 employees and equipment themselves, ensuring continuation of employment of key staff and without affecting the planned product launch.

- 2.5 The application and business plan and financial information clearly demonstrate the need for additional resources to be introduced into the business to ensure continued solvency and to assist NCG with their relocation contributing to the realisation of their growth plan.
- 2.6 If the project goes ahead, the outputs and benefits of the project will be achieved immediately by the company with the lower property operating costs and by Wirral with a presently unoccupied building in Birkenhead being brought back into use and being used by a growth sector business.
- 2.7 The growth plans for NCG will ensure that safeguarding of the existing 5 employees who will transfer with the business when it moves from Liverpool and assuming that the growth plan can be satisfactorily funded and delivered, NCG anticipate that a further 3 or 4 extra posts will be created within the next 12 months. The chosen property in Birkenhead, although at a lower cost to that of Liverpool is sufficiently large to allow for the forecast growth and to accommodate the extra staff mentioned above.
- 2.8 NCG in their application have only identified one risk, namely that of not securing the grant which would lead to the project to relocate to Wirral being cancelled and the business remaining in Liverpool. The application does not say where in Liverpool, but it is difficult to see how it could remain at its current address given the urgent need to save money on property related costs. If NCG does stay in Liverpool it would be disappointing for Wirral as it is a business in a growth sector which is poised for success and if achieved would be a potentially useful contributor to Wirral's business base and the local economy.
- 2.9 To enable NCG to complete their relocation to Wirral and carry out the essential works needed for the operation of the business a small short term investment is required to allow the company to continue with its planned development, which is forecast to lead to significant and rapid growth.

Project costs	2009/10	2010/11
Lease on identified property	£6,000	£6,000
Rates for identified property	£1,261	£1,261
Security	£650	
Furniture and facilities	£4,050	
IT and telecommunications	£2,620	
Relocation	£120	
Total Project Cost	£14,701	£7,261

Funding	2009/10	2010/11	
Funding requested from Wirral Council	£7,350	£3,631	50%
NCG	£7,351	£3,630	50%
Total Project Funding	£14,701	£7,261	100%

- 2.10 The Application and supporting information from the company has been appraised and demonstrates the need for additional financial resources to be introduced into the

business to assist with the delivery of its growth plan and the consequent further expansion into new markets. This public intervention would minimise any short term financial risk and enable the project to be completed as planned within the anticipated timescale.

- 2.11 The Head of Finance has conveyed that the company has demonstrated through its future cash flow projections a need for initial financial assistance. The grant panel has approved the grant on the conditions stated below in paragraph 3.2.

3.0 Financial implications

- 3.1 The Big Investment Fund is funded by Wirral Council to a maximum £800,000 per year. During the economic downturn this fund will be used to support SME's with potential for growth in Wirral, but importantly, will also support the sustaining of companies who may be having difficulty at this time.

- 3.2 Financial assistance will be subject to the following conditions:

- a) the actual grant received not exceeding 50% of the full amount payable to remain within State Aid limits under de-minimis;
- b) New Concept Gaming Ltd providing evidence that funding has been secured to cover the cash flow deficit until at least May 2010;
- c) New Concept Gaming Ltd providing evidence that the balance of the funding required to commence the project has been confirmed;
- d) New Concept Gaming Ltd remaining in Wirral for a period of three years following receipt of the full grant;
- e) regular meetings are held between New Concept Gaming Ltd and Wirral Council/Invest Wirral to monitor progress of the relocation project and the development of the business operations to ensure that as the business grows every opportunity is made to ensure it does so as part of the Wirral economy;
- f) a standard grant agreement is put in place between Wirral Council and New Concept Gaming Ltd as the applicant.

4. Staffing implications

- 4.1 There are no Council staffing implications arising from this report with monitoring of the company and the project being undertaken by existing staff in Corporate Services.

5. Equal Opportunities implications

- 5.1 There are no equal Opportunities issues from report

6. Community Safety implications

- 6.1 There are no community safety issues from report.

7. Local Agenda 21 implications

- 7.1 There are no Local Agenda 21 issues arising from this report.

8. Planning implications

8.1 There are no planning implications arising from this report.

9. Anti-poverty implications

9.1 NCG will contribute to improving the quality of life for all Wirral residents by increasing jobs available to Wirral residents.

10. Human Rights implications

10.1 There are no human rights implications arising from this report.

11. Social Inclusion implications

11.1 All employment opportunities are available to Wirral residents within Wirral's most deprived areas as well as the wider community.

12. Local Member Support implications

12.1 This report will be of interest to all Members of the Council.




13. Background Papers

13.1 Wirral Big Investment Fund appraisal papers have been used in the preparation of this report which are held in The Regeneration Department.

14. Recommendations

14.1 It is recommended that a Big Investment Fund grant of £10,981 payable in stages against defrayed expenditure, over two years, be approved towards the business relocation project being undertaken by the company named within this report, safeguarding five existing FTE jobs and potentially creating three/four new FTE jobs within 12 months.


Business Development Manager



From: STAPLETON, Jean [STAPLETONJ@
Sent: 02 October 2009 12:03
To: 
Subject: RE: BIG Fund
Hi 

Thanks for the report and it's fine. I'm delighted to welcome them to Wirral!

Best wishes.

Jean

Jean Stapleton






Labour Councillor for Birkenhead & Tranmere
Cabinet Member for Regeneration & Planning Strategy



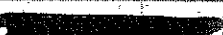

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Please save paper and print out only what is necessary

The contents of this email are the personal view of the author and should in no way be considered the official view of Wirral Council.

Jean Stapleton

From:  [mailto:@wirral.gov.uk]
Sent: 02 October 2009 11:38
To: Stapleton, Jean V. (Councillor); STAPLETON, Jean
Subject: BIG Fund

<<NGC Cabinet Report.doc>>
Hi Jean,

Please find attached cabinet report of the latest grant to be approved by the grant panel from the small grant fund. The cabinet report just needs your final approval.

If you have any queries please do not hesitate to contact me.

Kind Regards,

[REDACTED]
Business Development Manager

Invest Wirral
Egerton House
2 Tower Road
Birkenhead
Wirral
CH41 1FN

[REDACTED]
Mobile: [REDACTED]

[REDACTED]@wirral.gov.uk
www.investwirral.com

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From: Brendan Ludden [brendan.ludden@newconceptgaming.com]

Sent: 22 February 2010 13:05

To: [REDACTED]

Subject: RE: Business Investment Fund

Hi [REDACTED],

Apologies I had overlooked this one,

Best regards,

Brendan

From: [REDACTED] [mailto:[REDACTED]@wirral.gov.uk]

Sent: 04 February 2010 17:16

Cc: [REDACTED]; [REDACTED]

Subject: Business Investment Fund

Good Afternoon,

To help us monitor the success of our Business Investment Grant please can you complete the below table and email it back me by Friday 12th February.

Company Name:	New Concept Gaming Limited
Number of jobs created in the last quarter:	0 (but an intern taken on for work experience)
Investment made to date:	We have received £1,512.17 to date from Invest Wirral
Additional information regarding the progress of your project:	Overall we are very happy to have relocated to Wirral and the grant from Invest Wirral enabled that to happen.

If you have any queries please do not hesitate to contact me.

Kind Regards,

[REDACTED]
Business Development Manager

Invest Wirral
Egerton House
2 Tower Road
Birkenhead
Wirral

CH41 1FN

Mobile: [REDACTED]

[REDACTED]@wirral.gov.uk
www.investwirral.com

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WIRRAL COUNCIL

RE: BUSINESS INVESTMENT GRANT OFFER

1. Wirral Council ("the Council") has agreed to offer to New Concept Gaming Limited ("you") a grant of up to Ten Thousand Nine Hundred and Eighty One Pounds (£10,981) ("the Grant") upon the terms and conditions set out below.
2. The Grant is offered to you in order to financially assist you to carry out and complete the project ("the Project") of relocating your business to Wirral.
3. The Project will be as described in 2 above.
4. You must ensure that the Project produces the following outputs ("Outputs") within the following timescales:

Output	1/04/2009 to 31/03/2010	1/04/2010 to 31/03/2011	Total
Total Wirral Council Investment	£7,350	£3,631	£10,981
Total Private Sector Leverage	£7,351	£3,630	£10,981
			£21,962

5. Claims for payment of the Grant shall be made in writing to the Deputy Chief Executive, c/o Invest Wirral, Egerton House, Tower Road, Birkenhead, Wirral, Merseyside CH41 1FN.
6. The Grant shall be paid only against the following eligible expenditure:
 - Lease on identified property
 - Rates for identified property
 - Security
 - Furniture and facilities
 - IT and telecommunications
 - Relocation

Only expenditure incurred after the date of this offer is eligible for grant funding.

7. In particular you should be aware that the following are not eligible for grant funding:-
 - a] expenditure on activities of a political or exclusively religious nature;

- b] expenditure supported from other government sources, local authority grants, charges paid by leaseholders, or EC structural funds, to the extent that the combined Wirral Borough Council grant and other support total more than 100% of the project or scheme costs;
- c] expenditure on works or activities which any person has a statutory duty to undertake;
- d] recoverable input VAT incurred;
- e] any liability arising out of negligence;
- f] payments for unfair dismissal or redundancy to staff employed on fixed term contracts signed after June 1996, where this arises in respect of the expiry of that term without it being renewed;
- g] expenditure on gap funded private sector developments in excess of that necessary to bridge the gap between development costs and values on completion; or
- i] payments made in advance of need.

This list is not comprehensive and you are advised to seek advice from the Wirral Council, before incurring expenditure, if you are in any doubt as to whether it is eligible for grant funding.

8. The amount of Grant payable shall be a maximum of Ten Thousand Nine Hundred and Eighty One Pounds (£10,981) and shall not exceed 50% of the total project cost.
9. The Grant shall be payable on achievement of the outputs (defrayment of expenditure) identified in section 4 above and shall be payable on or before the 30th September 2011. The last date you may make a claim for payment is the 20th September 2011.
10. The grant shall be payable on the following conditions:
 - a) the actual grant received not exceeding 50% of the full amount payable to remain within State Aid limits under de-minimis;
 - b) New Concept Gaming Ltd providing evidence that funding has been secured to cover the cash flow deficit until at least May 2010;
 - c) New Concept Gaming Ltd providing evidence that the balance of the funding require to commence the project has been confirmed;
 - d) New Concept Gaming Ltd remaining in Wirral for a period of three years following receipt of the full grant;
 - e) regular meetings are held between New Concept Gaming Ltd and Wirral Council/Invest Wirral to monitor progress of the relocation project and the development of the business operations to ensure that as the business grows every opportunity is made to ensure it does so as part of the Wirral economy;
 - f) a standard grant agreement is put in place between Wirral Council and New Concept Gaming Ltd as the applicant.
11. It will be at the discretion of the panel to decide how grant claims will be paid eg. Stage payments, percentage of grant. This grant will be paid as a percentage of expenditure.
12. You must inform Wirral Council if you receive any other grant funding in respect of the Project from another public body or authority and provide evidence of such grant funding. The Council reserves the right to vary the amount of the Grant in the light of any such grant aid. This may include asking you to repay the Grant or a part of it.
13. You must not vary or deviate from the Project as described in your application for the Grant or in any information you have subsequently given to the Deputy Chief Executive in support of your application without the prior agreement of the Deputy Chief Executive in writing.

14. You must provide to the Deputy Chief Executive such information with regard to the Project (and in particular with regard to the Outputs), including invoices, certificates, vouchers, books and records, as may from time to time be required.
15. In order to claim the grant, evidence of defrayment is required eg. Copy of bank statements showing payment to the supplier and copy of invoice for expenditure incurred.
16. You must commence to carry out the Project as soon as reasonably practicable after the date on which you accept this offer and thereafter you must proceed diligently with and complete the Project.
17. If you are in breach of any of the terms and conditions of this offer at any time before the expiry of the period of three years after the date of the last payment of Grant the Council shall not be obliged to make any further payment of Grant and further the Council reserves the right to:-
 - vary the amount of Grant payable; or
 - suspend payment of Grant; or
 - withhold payment of Grant;
 - require you to repay some or all of the Grant.
18. If the Council shall require you to repay some or all of the Grant pursuant to the terms and conditions of this offer you must do so within fourteen days of such request. If you do not do so you will also be required to pay to the Council interest upon the sum requested at the rate which is 3% above the base lending rate from time to time of National Westminster Bank Plc from and including the day fifteen days after the request for payment until the date of actual payment.
19. If you have made a fraudulent claim and/or supplied false information in connection with your application for the Grant, the Council will be entitled to seek immediate claw back of the Grant and the making of a fraudulent claim and/or the provision of false information could result in criminal proceedings being commenced
20. You must observe and perform the terms and conditions of this offer throughout the period during which you carry out the Project and for a further period of three years after the date of the last payment of Grant.

For Wirral Council

DATED: 5/10 2009

I/We [REDACTED] Brendan Ludden /for and on behalf of

..... New Game Concept..... (the * person(s)/company /firm * named in the above offer) **HEREBY ACCEPT** the offer of Grant on the terms and conditions set out above and **HEREBY AGREE** and **UNDERTAKE** with the Council to be bound by and to observe and perform those terms and conditions.

Name (and position in *company/firm*) **BRENDAN LUDDEN, MANAGING DIRECTOR** (Please print)

Signature(s):



Date:

7th October 2009

(* Please delete as appropriate)



Business Name: NEW CONCEPT GAMING LTD

Business Address: LIVERPOOL SCIENCE PARK, 131 MOUNT PLEASANT, LIVERPOOL Post Code: L3 5TF

YOUR BANK ACCOUNT DETAILS

Business Account No:

2	2	8	3	8	3	6	2
---	---	---	---	---	---	---	---

Business Sort Code:

4	0	2	9	0	8
---	---	---	---	---	---

Business Bank Address: 99-101 LORD STREET LIVERPOOL L2 6P G

Business Account Name: NEW CONCEPT GAMING LIMITED
(MUST MATCH BUSINESS NAME)

I hereby authorise Wirral Council to direct Business Investment Grant payments to my bank account

Name: BRENDAN LUDDEN (MANAGING DIRECTOR)

Signature:

Date: 7th October 2009

JASON GEORGE (OPERATIONS DIRECTOR)

If Applicable

Client 2 Signature:

Date: 7th Oct 2009

New Concept Gaming Ltd**1st claim December 2009****2nd claim Feb 2010****Eligible items**

Rent	£1,642.85 exc. VAT	£1,889.28
Rental car parking space	£56.52	
Furniture	£438.78	
Rates	£381.52	£191.00
BT Connection - Featureline	£319.11	
BT Connection - Exchange Line	£106.37	
2 x wireless phones	£79.99	
<hr/> £3,025.14		£2,080.28

Grant @ 50% = £1512.57**Grant @ 50% = £1040.14****Ineligible costs or need further explanation for next claim**

BT line rental
BT exchange line rental
Postal redirection
BT Featureline rental
Fire alarm maintenance
Intruder alarm maintenance
Access control system maintenance